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Individual Income Tax Ret...

Department
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**Internal
Revenue
Service**

Individual Income Tax Returns

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This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax, and taxpayments. Classifications are by tax status, size of adjusted gross income, marital status, and type of tax computation.

Additional unpublished information from individual income tax returns, classified by size of adjusted gross income, is available on a reimbursable basis. A public-use computer tape file, i.e., the Individual Tax File, containing the records selected for the Statistics of Income sample is also available on a reimbursable basis. This file is suitable primarily for making national level estimates.

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Section 1

Introduction and Changes in Law*

This report contains complete individual income tax data for Tax Year 1988. The statistics are estimates based on a stratified probability sample of individual income tax returns, selected before audit, and represent coverage of approximately 110 million Forms 1040, 1040A, and 1040EZ filed by the nation's taxpayers for Tax Year 1988.

Table A on the following page shows selected income and tax items for Tax Years 1975, 1980, 1985, 1987, and 1988 with the percentage change between Tax Years 1987 and 1988. When comparing income and tax items from different years, it is important to note any changes in tax law that may have affected the composition of the data.

From 1987 to 1988 the number of returns filed increased by almost 2.7 million, or 2.5 percent, and adjusted gross income (AGI) increased by more than $309 billion, or 11.1 percent. The components of AGI showing the largest increases were dividends, business or professional income, and partnership and S corporation net income. Total income tax (the sum of income tax after credits and the alternative minimum tax) rose 11.8 percent for 1988 under the new lower tax rates.

This report is divided into seven sections. Section 1 includes requirements for filing, changes in tax law for 1988 which may affect the statistics, and an explanation of the 1979 Income Concept. Using the 1979 Income Concept, average tax rates are compared from 1986 to 1988, showing the difference before and after tax reform. Section 2 gives a description of the sample of income tax returns upon which the statistics are based, and Section 3 contains the basic tables of detailed statistics on individual tax returns. In Section 4 the data on high income returns are presented. Section 5 provides an explanation of the terms used in the tables. The tax return forms and instructions appear in Section 6, and the last section contains an index.

Requirements for Filing

The Internal Revenue Code of 1986, as amended, provided the legal basis for tax activity detailed in this volume. For Tax Year 1988, the principal criteria that determined the general filing requirements were gross income, filing status, marital status, age, and, if the taxpayer was a dependent, blindness was also a factor. Gross

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*This report was prepared under the direction of Jeff Hartzok, Chief, Returns Analysis Section, Individual Statistics Branch. June Walters was responsible for overall production. Louella Ballenger made contributions to the text. Technical assistance was provided by Michael Strudler, and copy preparation was completed by Edward Gross, Jr. and Timothy Cruciano, Research Section.

Table A.—Selected Income and Tax Items for Selected Years, 1975–1988

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1975	1980	1985	1987	1988	Percent change 1987 to 1988
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	82 229 332	93 902 469	101 660,287	106 996 270	109 708 280	2 5%
Form 1040 returns	54 527 726	57 122 592	67,006 425	71 032 103	71 359 242	0 5
Form 1040A returns	27 701 606	36,779 877	18 124 702	17 446 685	19 066 165	9 3
Form 1040EZ returns	N/A	N/A	16 529 160	18 517 482	19 282 873	4 1
Total income amount	962 886,872	1,642,345 558	2,401,033,782	2 803 940 526	3 111 221 671	11 0
Adjusted gross income less deficit	947 784 873	1 613,731 497	2,305 951,483	2 773 824 198	3 083 019 783	11 1
Salaries and wages						
Number of returns	73 520 046	83 802,109	87 198 001	90 984 304	93 257 370	2 5
Amount	795 399 462	1 349 842 802	1 928 200 978	2 163 905 509	2 337 984 129	8 0
Interest received						
Number of returns	40 378,240	49 019 575	64 526 434	67 933 810	69 421 338	2 2
Amount	43 433 554	102 009 444	182 109 194	168 966 067	186 981 636	10 7
Dividends in adjusted gross income						
Number of returns	8 853 491	10 738 982	15 527 579	22 324 321	22 903 155	2 6
Amount	21 892 126	38 761 253	55 046 351	66 791 158 [1]	77 329 507 [1]	15 8
Business or profession net income less loss						
Number of returns	7 242 542	8,881 119	11 900 341	13 002 055	13 571 440	4 4
Amount	39 421 478	55 129 154	78 772 577	105 460 627	126 323 250	19 8
Net Capital gain less loss						
Number of returns	7 574 823	9 970,921	12 579 494	15 450,141	12 521 113	- 19 0
Amount	14 071 893	30 029 074	68,277,779	137 398 726 [2]	152 841 481 [2]	11 2
Pensions and annuities in adjusted gross income						
Number of returns	5 088,937	7 373 704	13 133 295	16 497 586	16 481 248	- 0 1
Amount	20 886,871	43 339,736	95 096 003	124 754,833	138 785 886	11 2
Rents and royalties net income less loss						
Number of returns	7 143,812	8 208,132	9 544 495	9 492 112	9 985 858	5 2
Amount	5 202 078	4 105 381	12 963 726	- 9 254 758	- 1 278 809	N/A
Partnership and S Corporations net income less loss						
Number of returns	n a	n a	5 487 671	5 574 532	5 899 223	5 8
Amount	12 811 091	10 099 346	- 2 526 591	24 314 070	57 080 226	N/A
Farm net income less loss						
Number of returns	2 755 041	2 608 430	2 620 861	2 420 186	2 367 527	- 2 2
Amount	3 563 325	1 792 466	- 12 005 483	- 1 323 464	1 176 537	11 1
Total statutory adjustments						
Number of returns	9 024 255	13 148 919	37 763 418	11 620 127	10 747 370	7 5
Amount	15 101 999	28 614 061	95 082 299	30 116 329	28 201 888	- 6 4
Individual Retirement Arrangement						
Number of returns	1 211 794	2 564 421	16,205 846	7,318 727	6 361 421	- 13 1
Amount	1 436 443	3 430,894	38 211 574	14,065,722	11 881 754	- 15 5
Self employed (keogh) retirement plan						
Number of returns	595 892	568 936	675,822	759 083	814 586	7 3
Amount	1 603 788	2 007 666	5,181 993	6,183 441	6 626 908	7 2
Number of exemptions	212,202 596	227 925 098	244 180 202	217 495 163	221 884 006	2 0
Total deductions						
Number of returns	81,585 541	88 491 251	96 848 626	106 005 861	108 819 935	2 7
Amount	233 181 778	346 000 155	554 733,523 [3]	607 223 513 [3]	685 954 065 [3]	13 0
Total itemized deductions						
Number of returns	26 074 061	28 950 282	39 848,184	35 627 790	31 902 985	- 10 5
Amount	122 260 601	218 028 139	405,023 525	392 020 128	395 216 456	0 8
Medical and dental expense	11 422 312	14 972 082	22,926,214	17 151 819	17 993 829	4 9
Taxes paid	44 141 289	69 404 275	128 084 618	119 388 068	120 628 182	1 0
Interest paid	38 885 282	91 187 006	180 094 578	179 942 422	179 737 720	- 0 1
Contributions	15 393 331	25 809 608	47 962 848	49 623 907	50 949 273	2 7
Taxable income						
Number of returns	65 852 602	88 104 696	96 124 046	90 079 102	90 281 729	0 2
Amount	595 492 866	1 279 985 360	1 820 740 833	1,850 597 119	2 069 906 980	11 9
Income tax before credits						
Number of returns	65 854 734	76,135 819	85 994 216	89 717 924	90 218 979	0 6
Amount	132 452 044	256 294 315	332 165 333	373 857,125	418 889 165	12 0
Total tax credits	8 069 846	7 215,839	10 248 044	6 329 438	7 047 140	11 3
Child care credit	N/A	956 439	3 127 702	3 438 314	3 812 849	10 9
Credit for the elderly and disabled	128 968	134 993	108 642	66 633	68 904	3 4
Foreign tax credit	381 985	1 341 675	782 561	1 099 484	1 087 203	1 1
Income tax after credits	124 382 197	249 078 475	321 917 289	367 527 687	411 842 025	12 1
Total income tax						
Number of returns	61 490 737	73 906 244	82 846 420	86 723 796	87 135 332	0 5
Amount	124 526 297	250 341 440	325 710 254	369 202 757	412 869 909	11 8

n a Not available
N/A Not applicable
[1] Represents total dividends
Represents total capital gains
[3] Includes total itemized deductions, charitable contributions for nonitemizers, and zero bracket amount on nonitemized deductions
[4] Includes total itemized deductions, and basic and additional standard deductions (zero bracket amount in lieu of standard deduction for prior year returns)
NOTE Detail may not add to total because of rounding

Figure 1—General Filing Requirements

Marital Status	Filing Status	Age	Gross Income
Single (including divorced and legally separated)	Single	under 65	$4,950
		65 or older	$5,700
	Head of household	under 65	$6,350
		65 or older	$7,100
Married with a child and living apart from your spouse during the last 6 months of 1988	Head of household	under 65	$6,350
		65 or older	$7,100
Married and living with your spouse at the end of 1988 (or on the date your spouse died)	Married, joint return	under 65 (both spouses)	$8,900
		65 or older (one spouse)	$9,500
		65 or older (both spouses)	$10,100
	Married, separate return	any age	$1,950
Married, not living with your spouse at the end of 1988 (or on date spouse died)	Married, joint return or separate return	any age	$1,950
Widowed before 1988 and not remarried in 1988	Single	under 65	$4,950
		65 or older	$5,700
	Head of household	under 65	$6,350
		65 or older	$7,100
	Qualifying widow(er) with dependent child	under 65	$6,950
		65 or older	$7,550

income included all income received in the form of money, property, and services that were not expressly exempt from tax. Generally, a U.S. citizen or resident had to file a tax return if gross income for the year was at least as much as the amount shown for the appropriate filing status in Figure 1 above. Figure 2 must be used if a taxpayer can be claimed as a dependent by another person (such as a parent) on his or her return.

In addition to these filing requirements, an individual had to file a return for Tax Year 1988 if that individual:

(1) was liable for any of the following taxes:

- social security tax on unreported tip income;
- uncollected social security tax or Railroad Retirement Tax Act (RRTA) tax on reported tip income;
- alternative minimum tax;
- tax on an individual retirement arrangement (IRA) or qualified retirement plan; or
- tax from recapture of investment credit or low income housing credit.

(2) received advanced earned income payments;

(3) had net earnings of at least $400 from self-employment income; or

(4) had wages of $100 or more from a church or qualified church-controlled organization that was exempt from employer social security taxes.

Data shown in these tables include individuals who were not required to file tax returns but filed in order to obtain refunds of tax withheld or to take advantage of the earned income credit.

Changes in Law

Tax Year 1988 was the second full year under the Tax Reform Act of 1986 and the year in which most of its provisions were fully implemented. All major changes in effect for Tax Year 1988 that are included in Statistics of Income data are listed below in alphabetical order. Section 5 contains more detailed explanations and definitions of terms used in this report.

Alternative Minimum Tax

For 1988, a married taxpayer filing a separate return who had alternative minimum taxable income of more than $155,000 was required to increase alternative minimum taxable income by 25 percent of the amount it exceeded $155,000, but the increase could not be more than $20,000. The personal exemption amount could no longer be deducted in figuring alternative minimum taxable income. [This change was retroactive to 1987.]

Capital Gains and Losses

For capital assets acquired after December 31, 1987, the holding period for a long-term gain or loss is more than one year, and for a short-term gain or loss, one year or less.

Beginning in 1988, long-term capital gains were taxed at the same rates as ordinary income.

Child Care Credit

Beginning in 1988, taxpayers could no longer include the expenses of sending their children or dependents to an overnight camp when figuring the child care credit.

Figure 2—For Children and Other Dependents

If someone (such as your parent) can claim you as a dependent, use Figure 2 to see if you must file a return. If your gross income was $1,950 or more, you generally cannot be claimed as a dependent. But, you can be claimed as a dependent on your parents' return if you were under age 19 at the end of 1988 or a full-time student and your parents met the other requirements.

Unearned income includes taxable interest and dividends. Earned income includes wages, tips, and taxable scholarships and fellowships.

1. Single dependents under 65

You must file a return if—

Your unearned income was:	and	the total of that income plus your earned income was:
$1 or more		more than $500
$0		more than $3,000

2. Single dependents 65 or older or blind

You must file a return if—

- Your earned income was more than $3,750, or
- Your unearned income was more than $1,250 ($2,000 if 65 or older and blind), or
- Your gross income was more than the total of your earned income (up to $3,000) or $500, whichever is larger, plus $750 ($1,500 if 65 or older and blind).

3. Married dependents under 65

You must file a return if—

- Your earned income was more than $2,500, or
- You had unearned income and your gross income was more than $500, or
- Your gross income was at least $5 and your spouse files a separate return on Form 1040 and itemizes deductions.

4. Married dependents 65 or older or blind

You must file a return if—

- Your earned income was more than $3,100, or
- Your unearned income was more than $1,100 ($1,700 if 65 or older and blind),or
- Your gross income was more than the total of your earned income (up to $2,500), or $500, whichever is larger, plus $600 ($1,200 if 65 or older and blind), or
- Your gross income was at least $5 and your spouse files a separate return on Form 1040 and itemizes deductions.

Earned Income Credit

The earned income credit was increased to a maximum of $874 for 1988. Some credit was available for qualified individuals whose earned income and AGI were each less than $18,576. For 1987, the maximum credit was $851, and the credit phased out entirely if income exceeded $15,432.

Exemptions

The amount of each individual personal exemption increased to $1,950 for 1988 from $1,900 for 1987. Also, beginning in 1988, the amount that could be claimed as a deduction for exemptions was phased out if taxable income exceeded $89,560 if filing status was single, $149,250 if married filing jointly or qualifying widow(er), $123,790 if head of household, and $113,300 if married filing separately. Married taxpayers filing separately with income over $113,300 figured their tax as if they were allowed an exemption for their spouse whether or not they actually claimed the spousal exemption. See also Tax Rates.

Interest Paid Deduction

Personal interest. Only 40 percent of "personal" interest, such as interest on credit cards, car loans, or personal loans, was deductible for 1988, whereas 65 percent was deductible for 1987.

Mortgage interest. The rules for deducting home mortgage interest changed for 1988. Generally, taxpayers who got a mortgage *before* October 14, 1987, which was secured by the taxpayer's main or second home, could deduct all the interest. Taxpayers who got a mortgage *after* October 13, 1987, which was secured by their main or second home, could deduct all interest if the loan (plus any other mortgages on the home) was $1 million or less and the funds were used to buy, build, or improve that home. Also, taxpayers could deduct all of the interest on an additional $100,000 of loans secured by their main or second home.

Minimum Tax Credit

A minimum tax credit could be taken for 1988 by some taxpayers who paid alternative minimum taxes for 1987. The credit was that part of the 1987 alternative minimum tax that was based on adjustments or preference items that deferred tax rather than caused permanent avoidance of tax. If all of the minimum tax credit could not be used for 1988, the excess could be carried forward to future years.

Passive Losses

Under the Tax Reform Act of 1986, some of the "passive" losses (i.e., those generated by any trade, business, or rental activity in which the taxpayer did not materially participate), entered into before October 23, 1986 were allowed to offset "nonpassive income". For Tax Year 1988, 40 percent of such losses were allowed to offset nonpassive income, down from 65 percent allowed for 1987. These disallowed, or nondeductible, passive losses for 1988 could, in many cases, be carried forward to 1989.

Most of the passive loss activity was concentrated in partnerships and rental activities on Schedule E.

Pensions and Annuities

Beginning in 1988, the capital gains treatment of lump sum distributions received from pension plans was phased out except for those taxpayers born on or before January 1, 1936.

The amount of retirement distributions that could be made during the year without incurring the tax on excess distributions was increased to $117,529 for 1988 from $112,500 for 1987.

Self-Employment Tax

The maximum net earnings subject to self-employment tax increased to $45,000 for 1988 from $43,800 for 1987, and the net tax rate increased to 13.02 percent for 1988 from 12.30 percent for 1987.

Standard Deduction

For most taxpayers, the basic standard deduction was increased for 1988 over 1987. The standard deduction rose from $2,540 to $3,000 for single taxpayers, from $3,760 to $5,000 for those filing joint returns, from $1,880 to $2,500 for married filing separately, and from $2,540 to $4,400 for head of household. The standard deduction for taxpayers age 65 or older or blind remained the same as for 1987.

Tax Rates

For 1988, the tax rate schedules contained only two basic rates: 15 percent and 28 percent. But, taxable income over certain levels ($43,150 if single, $35,950 if married filing separately, $61,650 if head of household, and $71,900 if married filing jointly or a qualifying widow(er)) was subject to an additional 5 percent tax. The purpose of this was to phase out the benefit of the 15 percent tax rate and the benefit of the deduction for personal exemptions for taxpayers and dependents. The benefits of the 15 percent tax rate bracket were phased out first. They were completely phased out for an individual at varying levels of taxable income according to filing status: $89,560 for single taxpayers, $113,300 for married filing separately, $123,790 for heads of households, and $149,250 for married filing jointly and qualifying widow(er)s. After the benefits of personal exemptions were also phased out, the individual then paid a 28 percent tax on each additional dollar of taxable income.

The 1979 Income Concept

A Retrospective Income Definition

In order to analyze changes in income and taxes over a period of years, an income concept with a consistent definition of income must be used. The income concept available from Federal income tax returns, adjusted gross income (AGI), was designed for tax administration and its definition changes to reflect tax law. New tax laws of the 1980's--the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Tax Reform Act of 1986--made significant changes to the components of adjusted gross income (AGI), making it more difficult to use AGI for accurate comparisons of income from year to year.

For this reason, it was decided to develop an income definition that would be applicable over several years and allow comparisons both before and after the major tax legislation of the 1980's. The "retrospective" income definition that was developed was called the "1979 Income Concept" and reflected the base period 1979 through 1986. It was calculated using only data available from individual income tax returns; and, by using the same income items in the calculation each year, its definition was consistent throughout the base years. In addition, this "retrospective" income definition could be used to compare income of future years to income for these prior years by continuing to include the same components that were common to all years [1]. (For a more complete explanation of other income concepts see Appendix A of Section 4, "High Income Returns: Taxable and Nontaxable," in this report.)

The calculation of the 1979 Income Concept is shown in Figure 3. Several items partially excluded from AGI for the base years were fully included in this new income measure, the largest of which was the capital gains exclusion. The full amount of all capital gains, as well as all

Figure 3—Calculation of the 1979 Income Concept for 1988

1979 Total Income =

Salaries and wages*
+ Interest*
+ Dividends (without any exclusion)*
+ Alimony received*
+ Capital gains (without any exclusion) and allowable losses*
+ Capital gains not reported on Schedule D (without any exclusion)*
+ Other gains or losses (Form 4797)*
+ Net business income or loss*
+ Net farm income or loss*
+ Net rent income or loss*
+ Net royalty income or loss*
+ Net partnership income or loss*
+ Net Subchapter S Corporation income or loss*
+ Net farm rental income or loss*
+ Net estate and trust income or loss*
+ Unemployment insurance income reported*
+ Depreciation in excess of straight-line depreciation**
+ Total pension income reported**
+ Net other income*

LESS
+ Disallowed passive losses**
+ Moving expenses**
+ Employee business expenses (includes both reimbursed and unreimbursed)**
+ Alimony paid*

*Included in AGI for Tax Year 1988.
**Not fully included in AGI for Tax Year 1988.

dividends and unemployment compensation, was added to the income calculation. Total pensions, annuities, IRA distributions, and rollovers were added, including the nontaxable portion that was excluded from AGI. Social security benefits were omitted because they were not reported on the tax return until 1984. Also, any depreciation deduction in excess of straight-line depreciation that was subtracted in computing AGI was added back.

Deductions that could be subtracted in the calculation of the 1979 Income Concept were limited to employee business expenses, alimony paid, and moving expenses. These same items were also subtracted in computing AGI until 1987 when unreimbursed business expenses and moving expenses were changed from "adjustments" to "itemized deductions."

The Tax Reform Act of 1986 made extensive changes in the calculation of AGI beginning in 1987. These changes made it necessary to revise the calculation of the 1979 Income Concept in order to make tax years beginning with 1987 comparable to the base years, 1979 to 1986. The new law limited the deduction of passive losses and eliminated unreimbursed business expenses and moving expenses as "adjustments" in figuring AGI beginning with Tax Year 1987. Since passive losses had been fully deductible for both income measures prior to 1987, the disallowed passive losses for 1987 had to be deducted in the 1979 Income Concept calculation of 1987 income.

Unreimbursed business expenses and moving expenses were allowed only as an "itemized deduction" beginning in 1987, in contrast to prior years when these two expenses were subtracted in computing AGI. The amount reported for these two expenses by taxpayers who itemized deductions could be subtracted in the calculation of the 1979 Income Concept. But, taxpayers who did not itemize deductions could not claim either of these two expenses as they were allowed to do before 1987. For this reason, the deduction for these two expenses beginning in 1987 was not comparable to that for previous years.

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1988

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Income				Salaries and wages			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	109,708	3,083,020	109,708	3,106,549	93,257	2,337,984	93,257	2,337,984
Under $10,000	33,286	116,389	33,034	109,285	26,052	124,860	25,885	121,932
$10,000 under $20,000	25,476	375,731	25,375	374,211	20,964	287,676	20,883	286,738
$20,000 under $30,000	16,797	414,039	17,031	420,284	15,015	342,770	15,083	344,390
$30,000 under $40,000	11,957	415,311	12,066	418,818	10,993	351,744	11,094	353,974
$40,000 under $50,000	8,265	369,116	8,305	370,462	7,658	312,719	7,703	313,835
$50,000 under $60,000	4,989	272,309	4,841	264,214	4,619	227,571	4,545	225,894
$60,000 under $70,000	2,932	189,218	2,938	189,851	2,703	156,524	2,705	156,353
$70,000 under $80,000	1,773	132,234	1,720	128,254	1,602	101,753	1,567	99,463
$80,000 under $90,000	1,067	90,244	1,073	90,830	951	68,649	971	68,633
$90,000 under $100,000	665	62,915	676	63,913	595	46,718	598	45,904
$100,000 under $125,000	882	97,787	937	103,835	760	65,950	808	68,043
$125,000 under $150,000	433	58,933	456	61,962	366	37,112	387	37,675
$150,000 under $175,000	277	44,619	300	48,272	230	25,744	248	27,069
$175,000 under $200,000	186	34,735	189	35,222	153	19,548	153	19,022
$200,000 under $300,000	335	81,064	355	85,931	274	45,167	288	45,345
$300,000 under $400,000	142	48,903	154	52,857	116	25,862	126	26,421
$400,000 under $500,000	72	31,948	75	33,372	60	16,819	60	16,462
$500,000 under $1,000,000	115	77,894	119	80,497	96	35,442	99	34,943
$1,000,000 or more	62	169,631	65	174,482	52	45,357	54	45,888

Size of income	Taxable interest received				Dividends in AGI		Dividends received	
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	69,421	186,982	69,421	186,982	22,903	77,330	22,903	77,330
Under $10,000	14,664	21,561	14,449	21,564	3,399	4,242	3,313	4,261
$10,000 under $20,000	13,720	29,144	13,580	28,848	3,555	7,067	3,473	6,927
$20,000 under $30,000	11,266	21,460	11,476	23,752	3,124	5,565	3,248	6,297
$30,000 under $40,000	9,474	18,861	9,583	19,396	3,049	6,015	3,092	6,327
$40,000 under $50,000	7,157	14,969	7,217	15,099	2,672	4,736	2,683	5,191
$50,000 under $60,000	4,548	10,917	4,414	9,382	1,988	4,589	1,883	3,703
$60,000 under $70,000	2,761	7,801	2,755	7,963	1,352	3,970	1,345	4,037
$70,000 under $80,000	1,708	6,704	1,654	6,457	964	3,199	938	3,040
$80,000 under $90,000	1,024	5,185	1,034	4,286	598	2,519	613	2,342
$90,000 under $100,000	644	3,608	656	3,801	419	1,809	424	1,829
$100,000 under $125,000	858	6,165	915	6,332	569	3,658	615	3,635
$125,000 under $150,000	424	3,775	447	3,828	294	2,128	308	1,974
$150,000 under $175,000	271	3,344	293	3,112	202	2,008	214	2,098
$175,000 under $200,000	183	2,598	187	2,512	136	1,496	139	1,442
$200,000 under $300,000	331	5,939	351	5,963	255	3,536	271	3,516
$300,000 under $400,000	141	3,476	152	3,456	113	2,635	120	2,600
$400,000 under $500,000	71	2,281	74	2,274	59	1,786	63	1,784
$500,000 under $1,000,000	114	6,141	119	5,990	98	4,453	102	4,419
$1,000,000 or more	62	13,055	65	12,966	56	11,917	59	11,909

Size of income	Business or profession net income less loss				Sales of capital assets			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	13,571	126,323	13,571	126,323	14,286	153,768	14,286	153,768
Under $10,000	2,873	1,839	2,852	1,849	1,964	6,683	1,919	7,264
$10,000 under $20,000	2,577	13,956	2,513	13,209	1,995	2,075	1,954	2,057
$20,000 under $30,000	2,207	14,245	2,204	13,532	1,876	2,992	1,959	3,152
$30,000 under $40,000	1,737	12,018	1,740	12,147	1,839	3,728	1,842	3,492
$40,000 under $50,000	1,300	10,588	1,339	10,812	1,521	3,605	1,555	4,448
$50,000 under $60,000	857	10,479	851	9,630	1,175	4,413	1,087	3,717
$60,000 under $70,000	528	7,139	538	7,114	851	3,338	822	3,210
$70,000 under $80,000	369	7,121	333	6,085	662	4,124	653	3,911
$80,000 under $90,000	244	5,774	248	5,631	432	2,517	445	2,610
$90,000 under $100,000	160	4,483	166	4,700	327	3,245	328	3,204
$100,000 under $125,000	249	8,016	267	8,571	479	6,275	509	6,513
$125,000 under $150,000	127	6,135	142	6,090	271	5,197	282	5,162
$150,000 under $175,000	84	3,828	93	4,371	189	4,798	203	4,591
$175,000 under $200,000	54	2,756	60	3,231	132	4,401	127	3,975
$200,000 under $300,000	96	6,187	105	6,969	247	10,304	259	10,109
$300,000 under $400,000	41	2,775	43	3,101	111	7,377	117	7,637
$400,000 under $500,000	19	1,687	20	1,818	58	4,826	61	5,030
$500,000 under $1,000,000	33	3,167	35	3,250	100	16,157	103	15,802
$1,000,000 or more	19	4,131	20	4,214	57	57,716	60	57,884

Footnote(s) at end of table

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1988—Continued

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Rents, royalties and farm rental net income less loss				Partnership and S Corporation net income less loss			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns, total	9,986	-1,279	9,986	-1,279	5,899	57,080	5,899	57,080
Under $10,000	1,430	-1,996	1,366	-2,048	639	-15,950	646	-16,892
$10,000 under $20,000	1,550	34	1,568	-139	670	719	653	366
$20,000 under $30,000	1,459	-795	1,482	-727	619	491	618	662
$30,000 under $40,000	1,306	-1,196	1,312	-812	611	857	648	706
$40,000 under $50,000	1,088	-842	1,133	-1,074	614	1,641	609	1,607
$50,000 under $60,000	781	-1,177	728	-1,110	448	1,155	410	1,151
$60,000 under $70,000	531	-720	535	-496	356	1,446	345	1,513
$70,000 under $80,000	393	-142	380	-313	297	2,007	289	1,796
$80,000 under $90,000	267	-117	265	-160	208	1,460	217	1,500
$90,000 under $100,000	196	-174	196	-99	183	948	173	969
$100,000 under $125,000	293	165	306	-3	312	3,309	321	3,151
$125,000 under $150,000	151	311	160	283	181	2,761	187	2,627
$150,000 under $175,000	115	730	117	699	147	2,656	154	3,065
$175,000 under $200,000	78	336	80	370	103	2,497	103	2,322
$200,000 under $300,000	146	951	150	979	213	6,428	215	6,812
$300,000 under $400,000	69	686	70	665	102	4,319	109	4,509
$400,000 under $500,000	36	338	39	310	52	3,160	55	3,513
$500,000 under $1,000,000	61	985	62	1,018	91	8,768	93	8,909
$1,000,000 or more	35	1,346	37	1,378	53	28,409	56	28,794

Size of income	Nondeductible passive losses				Estate and trust net income less loss			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	1,678	19,237	1,678	19,237	597	4,094	597	4,094
Under $10,000	138	5,599	161	7,750	90	90	96	98
$10,000 under $20,000	117	353	122	527	94	326	89	320
$20,000 under $30,000	126	491	111	410	71	277	63	251
$30,000 under $40,000	145	604	161	440	71	118	73	153
$40,000 under $50,000	141	523	141	426	49	176	57	118
$50,000 under $60,000	125	391	109	343	48	121	52	247
$60,000 under $70,000	87	329	79	340	29	155	23	74
$70,000 under $80,000	90	434	94	362	20	126	16	115
$80,000 under $90,000	49	287	60	340	8	45	12	40
$90,000 under $100,000	58	343	48	261	16	76	16	103
$100,000 under $125,000	119	848	121	833	26	178	22	158
$125,000 under $150,000	87	776	88	765	13	131	15	173
$150,000 under $175,000	79	839	78	652	9	172	9	101
$175,000 under $200,000	63	718	57	523	8	74	8	74
$200,000 under $300,000	114	1,808	107	1,318	17	246	17	264
$300,000 under $400,000	49	900	49	818	9	248	9	264
$400,000 under $500,000	26	625	27	506	5	86	5	88
$500,000 under $1,000,000	43	1,591	42	1,154	9	308	9	311
$1,000,000 or more	23	1,778	24	1,467	6	1,143	6	1,141

Size of income	Pensions and annuities in AGI [1]		Pensions and annuities [1]		Total statutory adjustments			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	18,109	149,904	19,246	199,147	10,747	28,202	9,641	29,552
Under $10,000	2,977	11,742	2,907	11,725	865	1,198	247	1,036
$10,000 under $20,000	4,747	32,883	4,744	33,304	1,739	2,756	721	2,214
$20,000 under $30,000	2,950	25,850	3,180	28,484	2,242	4,321	1,426	3,858
$30,000 under $40,000	2,144	18,200	2,350	21,836	1,923	3,898	1,885	4,143
$40,000 under $50,000	1,825	16,461	2,002	19,761	1,424	2,579	1,740	3,957
$50,000 under $60,000	1,206	10,843	1,252	11,714	627	1,741	1,199	2,997
$60,000 under $70,000	765	8,365	829	10,661	477	1,618	785	2,418
$70,000 under $80,000	476	6,089	547	8,375	314	1,165	449	1,663
$80,000 under $90,000	297	3,490	352	5,920	213	1,011	303	1,232
$90,000 under $100,000	150	2,010	213	3,874	159	885	192	876
$100,000 under $125,000	228	3,637	327	8,047	244	1,449	254	1,431
$125,000 under $150,000	94	1,474	150	4,829	134	1,039	130	807
$150,000 under $175,000	64	1,285	95	3,471	87	748	81	575
$175,000 under $200,000	40	846	58	2,472	60	624	48	405
$200,000 under $300,000	66	1,622	106	5,967	114	1,333	86	732
$300,000 under $400,000	29	910	50	4,202	46	569	38	366
$400,000 under $500,000	14	512	23	1,993	24	351	19	209
$500,000 under $1,000,000	25	1,276	39	5,432	36	558	26	375
$1,000,000 or more	14	2,408	22	7,079	19	360	12	256

Footnote(s) at end of table

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1988—Continued

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Total itemized deductions				Taxable income			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
All returns, total	31,903	395,216	31,895	379,783	90,282	2,069,967	90,282	2,069,967
Under $10,000	896	7,193	909	7,556	15,611	30,589	15,535	30,831
$10,000 under $20,000	2,865	21,890	2,932	21,371	23,906	176,368	23,729	174,352
$20,000 under $30,000	4,579	35,244	4,652	34,266	16,677	254,334	16,882	257,462
$30,000 under $40,000	6,002	52,603	5,992	50,563	11,920	274,610	12,005	278,140
$40,000 under $50,000	5,525	54,530	5,489	52,309	8,254	255,121	8,281	256,650
$50,000 under $60,000	3,929	43,803	3,807	41,138	4,985	194,194	4,828	188,093
$60,000 under $70,000	2,547	33,284	2,536	31,774	2,930	136,891	2,932	136,661
$70,000 under $80,000	1,590	24,044	1,517	21,727	1,772	97,120	1,707	93,020
$80,000 under $90,000	968	16,109	966	15,622	1,065	67,390	1,066	65,837
$90,000 under $100,000	613	11,784	622	11,020	663	47,070	675	47,183
$100,000 under $125,000	828	18,075	855	17,510	881	74,451	934	76,200
$125,000 under $150,000	412	10,691	429	10,201	432	45,637	453	46,256
$150,000 under $175,000	265	7,698	278	7,670	277	35,270	300	36,633
$175,000 under $200,000	178	5,755	175	5,234	186	27,894	188	27,204
$200,000 under $300,000	324	12,757	335	12,432	334	66,396	355	67,081
$300,000 under $400,000	138	6,929	149	6,916	141	41,164	153	42,025
$400,000 under $500,000	70	4,425	73	4,445	71	27,115	75	27,359
$500,000 under $1,000,000	112	9,765	116	9,440	115	67,560	119	66,973
$1,000,000 or more	61	18,636	64	18,588	62	150,793	65	152,009

Size of income	Total tax credits				Total income tax			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total	14,099	7,047	14,099	7,047	87,135	412,870	87,135	412,870
Under $10,000	726	116	709	114	14,937	4,624	14,876	4,829
$10,000 under $20,000	5,633	1,939	5,628	1,940	21,534	24,550	21,347	24,261
$20,000 under $30,000	2,048	969	2,080	970	16,603	38,640	16,808	39,143
$30,000 under $40,000	1,844	859	1,838	862	11,896	44,139	11,979	44,795
$40,000 under $50,000	1,407	635	1,430	639	8,250	42,768	8,276	43,190
$50,000 under $60,000	899	418	869	397	4,984	35,979	4,829	34,908
$60,000 under $70,000	539	269	523	256	2,930	27,414	2,932	27,434
$70,000 under $80,000	293	163	297	145	1,772	20,686	1,707	19,791
$80,000 under $90,000	183	158	166	137	1,066	14,996	1,066	14,602
$90,000 under $100,000	90	75	98	62	664	10,951	675	10,945
$100,000 under $125,000	142	162	154	143	881	18,409	934	18,701
$125,000 under $150,000	71	98	69	67	433	11,991	454	12,118
$150,000 under $175,000	44	76	52	94	277	9,636	300	9,963
$175,000 under $200,000	33	84	33	63	186	7,801	188	7,613
$200,000 under $300,000	56	134	61	211	335	19,250	355	19,190
$300,000 under $400,000	29	121	30	143	142	11,756	153	11,942
$400,000 under $500,000	16	82	17	93	72	7,695	75	7,748
$500,000 under $1,000,000	26	225	28	242	115	19,163	119	18,926
$1,000,000 or more	19	463	20	468	62	42,423	65	42,771

[1] Individual Retirement Arrangments are included in the calculation of pensions and annuities in AGI and pensions and annuities

Comparison of AGI with 1979 Income Concept

The Tax Reform Act of 1986 made extensive changes in the composition of AGI beginning in Tax Year 1987. The Act incorporated into AGI most of the income items included in the 1979 Income Concept. Some income, such as capital gains, that had been partially excluded from AGI under prior law was fully included. The new law also eliminated or restricted some deductions. For this reason, if AGI is used to measure income, any comparison of 1986 income and tax data with that for 1987 or 1988 is misleading. A more accurate comparison can be made using the 1979 Income Concept because it measures income in the same way for all three years.

Table B shows total income and selected tax items for 1988 using AGI and the 1979 Income Concept. Income, as calculated by the two measures, showed little difference for 1988 with most provisions of the Tax Reform Act of 1986 (TRA) in effect. Before tax reform, when income measured by AGI and the 1979 Income Concept were compared at each income level, the differences were most pronounced at income levels of $200,000 or more. But, with the elimination of preferential treatment of various income items by TRA, such as the exclusion of capital gains, much of the difference disappeared. Under tax law prior to 1987, the capital gains exclusion accounted for the largest difference at the higher income levels between the two income measures.

Total income for all returns, using the 1979 Income Concept, increased over 10 percent from 1987 to 1988; but total income for the highest income group—$200,000 and above—increased over 50 percent. Total income taxes reported for the $200,000 and above income group increased almost 38 percent from 1987 to 1988.

Figure 4.—Total Income Tax as a Percentage of Income, 1986–1988

Size of Income	Taxes as a percentage of adjusted gross income			Taxes as a percentage of 1979 Income Concept		
	1986	1987	1988	1986	1987	1988
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	14.8%	13.3%	13.4%	13.3%	13.1%	13.3%
Under $10,000	4.3	4.0	4.0	4.9	4.2	4.4
$10,000 under $20,000	7.8	6.8	6.5	7.6	6.7	6.5
$20,000 under $30,000	10.6	9.4	9.3	10.0	9.3	9.3
$30,000 under $40,000	12.2	10.6	10.6	11.6	10.7	10.7
$40,000 under $50,000	13.8	11.8	11.6	12.6	11.7	11.7
$50,000 under $60,000	15.5	13.5	13.2	13.8	13.4	13.2
$60,000 under $70,000	16.9	15.1	14.5	14.9	15.0	14.5
$70,000 under $80,000	18.7	16.5	15.6	15.8	16.2	15.4
$80,000 under $90,000	19.9	17.8	16.6	16.7	17.5	16.1
$90,000 under $100,000	20.8	18.8	17.4	16.8	18.1	17.1
$100,000 under $125,000	23.1	20.1	18.8	18.3	19.3	18.0
$125,000 under $150,000	25.2	21.8	20.3	19.0	20.6	19.6
$150,000 under $175,000	28.0	23.0	21.6	19.3	21.2	20.6
$175,000 under $200,000	29.3	23.9	22.5	20.3	22.5	21.6
$200,000 under $300,000	31.1	25.8	23.7	22.6	23.8	22.3
$300,000 under $400,000	33.7	27.0	24.0	22.6	24.5	22.6
$400,000 under $500,000	36.2	28.2	24.1	23.4	26.5	23.2
$500,000 under $1,000,000	38.4	29.0	24.6	23.7	26.7	23.5
$1,000,000 or more	40.2	28.6	25.0	21.4	26.8	24.5

The average tax rates (income tax as a percentage of total income) for each income class for 1986, 1987, and 1988, based on AGI and the 1979 Income Concept, are shown in Figure 4. Based on the 1979 Income Concept, average tax rates declined or remained the same from 1987 to 1988 in every income category with the exception of incomes under $10,000, which rose slightly. At incomes over $70,000 the decrease was larger, with incomes of $200,000 and above showing the largest decline in average tax rates. A factor in this larger decrease for the highest income groups was the lower marginal tax rate of 28 percent for 1988 compared to 38.5 percent for 1987.

When average tax rates for 1988 (based on the 1979 Income Concept) are compared to those for 1986 (before tax reform), the rates declined for incomes below $90,000. For incomes of $90,000 and above, average tax rates increased for most income groups, especially for incomes of $1,000,000 and over, which rose from 21.4 percent for 1986 to 24.5 percent for 1988. Although this higher average tax rate for 1988 was calculated using a lower marginal tax rate—28 percent for 1988 compared to 50 percent for 1986—it was calculated on income which included all capital gains (long-term gains could be partially excluded from income for 1986.) Also, certain deductions from income that were allowed for 1986, were limited or eliminated for 1987 and 1988.

Notes And References

[1] Hostetter, Susan, "Measuring Income for Developing and Reviewing Individual Tax Law Changes: Exploration of Alternative Concepts," *Statistics of Income and Related Administrative Record Research: 1986-1987*, U.S. Department of the Treasury, Internal Revenue Service, 1987.

Section 2 Description of the Sample*

This section describes the sample selection and criteria, and the method of estimation contained in this report. It also describes some of the limitations of the data.

Sample Selection

The statistics in this report were estimated from a stratified probability sample of unaudited Individual Income Tax Returns, Forms 1040, 1040A, and 1040EZ filed by U.S. citizens and residents. The sample was designated at the Martinsburg Computing Center and was processed at the ten Internal Revenue Service (IRS) Centers during Calendar Year 1989. The total sample of 110,634 returns was selected from a population of 110,088,189 returns.

All returns processed during 1989 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already been subjected to sampling. A small percentage of returns were not identified as tentative or amended until after sampling. These returns along with those that contained no income information were excluded from the tables in this report. Sample returns representing 377,023 returns were excluded from the tables as a result.

The estimates in this report are intended to represent all returns filed for Tax Year 1988. While about 97 percent of the returns processed during Calendar Year 1989 were for Tax Year 1988, a few were for noncalendar years ending during 1988 and 1989, and some were returns for prior years. Returns for prior years were used in place of 1988 returns received and processed after December 31, 1989. This was done in the belief that the characteristics of returns due but not yet processed could best be represented by the returns for previous income years that were processed in 1989. Therefore, data for Tax Year 1988 may include amounts for discontinued items, such as the deduction for a working married couple, reported on prior year returns processed in 1989.

Sample Design and Selection Criteria

Data from Forms 1040, 1040A, and 1040EZ processed to the IRS Individual Master File System at the National Computing Center during Calendar Year 1989 were classified, by computer, into sample strata. These strata were based on the larger of total income or total loss amounts and the size of business plus farm receipts. In addition, the strata were based on the presence or absence of a Form 2555, Foreign Earned Income; a Form 1116, Computation of Foreign Tax Credit; a Schedule C, Profit or Loss from

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*Bonnye Walker designed the sample and prepared the text and tables in this section under the direction of Yahia Ahmed, Chief, Mathematical Statistics Team, Coordination and Publication Staff.

Business; a Schedule F, Farm Income and Expenses; and a Form 4835, Farm Rental Income and Expenses. Twenty variables were used to derive the total income and loss amounts.

Returns were then selected from the sample strata using two methodologies. One method used certain ending digits of the social security number (SSN), and the second method used ending digits of numbers generated from transformations of the SSN. The sampling rates for the various strata ranged from 0.03 percent to 100 percent.

Table C contains the number of returns in the population and sample-by-sample stratum for the United States. A comparison of the population counts in Table C with the total shown in the national tables of this report will disclose a small difference. This difference is the result of having excluded an estimated 377,023 returns (see below).

Method of Estimation

Weighting factors were obtained by dividing the population count of returns in a sample stratum by the number of sample returns for that stratum. These weighting factors were used to generate all of the estimated numbers of returns and amounts in this report.

Table Presentation

Whenever a weighted frequency is less than 3, the estimate and its corresponding amount are combined or deleted in order to avoid disclosure of information for specific taxpayers. These combinations and deletions are indicated by a double asterisk (**) and by a dagger (†), respectively. Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a single asterisk (*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

In the tables, a dash (-) in place of a frequency or an amount indicates that either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any of the sampled returns.

Processing and Management of the Sample

While the sample was being selected, the selection process was monitored by applying prescribed sampling rates for each stratum to the population for that stratum. A follow-up was required to reconcile differences between the actual number of returns designated for each sample strata and the expected number.

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries on the sampled record were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules. Data were also adjusted during processing in an attempt to achieve consistent statistical definitions. For example, a taxpayer may have reported director's fees on the "other income" line of the Form 1040 return. If this situation had been detected during statistical processing, the amount of director's fees would have been transferred to salaries and wages in the sample record.

The quality of the sample data was controlled at the IRS service centers by means of a continuous verification system that used computer tests to check for mathematical errors and inconsistent or missing data [1, 2].

Some returns designated for the sample are not available for SOI processing because other areas of IRS, such as Audit and Collection, need the return at the same time as SOI. These returns are referred to as unavailable returns. During Tax Year 1988, there were 166 unavailable returns which constituted about one tenth of one percent of the designated sample. The chart below

Table C.—Number of Forms 1040, 1040A and 1040EZ in the Population and Sample, 1988

Description of the sample strata		Number of Returns	
		United States Total	
		Population Counts	Sample Counts
		(1)	(2)
Grand total		110 088 189 [1]	110,634
Form 1040 returns only with adjusted gross income of $200,000 and over with no income tax after credits and no additional tax for tax preferences, total		1 098	1,098 [2]
Form 1040 returns only with combined Schedule C (business or profession) net profit or net loss of $350,000 and over, total		13 852	13 852
Larger of total income amount or total loss amount	and Size of business receipts plus farm receipts		
Forms 1040 only with Form 2555, total		176 660	588
Under $50,000	Under $500,000	96,452	30
$50,000 under $100,000 Under $50,000	Under $500,000 $500 000 under $1,000,000	44,904	13
$100,000 under $500,000 Under $100,000	Under $1,000,000 $1,000,000 under $10,000,000	33,861	147
$500,000 under $2,000,000 Under $500,000	Under $10,000,000 $10 000,000 under $30,000,000	1,327	282
$2,000,000 and over Under $2,000,000	Any amount $30 000 000 and over	116	116
Forms 1040 only with Form 1116, but without Form 2555, total		536 130	3,152
Under $50,000	Under $500,000	216,633	61
$50,000 under $100,000 Under $50,000	Under $500,000 $500 000 under $1 000 000	150,152	38
$100,000 under $500,000 Under $100,000	Under $1,000,000 $1,000 000 under $10 000 000	140 901	601
$50,000 under $2,000,000 Under $500,000	Under $10 000,000 $10,000,000 under $30,000,000	23 279	1,196
$2,000,000 and over Under $2,000,000	Any amount $30 000,000 and over	5,165	1,256
Forms 1040 only with Schedule C, but without Form 2555 or Form 1116, total		13 588 893	22,411
Under $25,000	Under $200,000	5,818,998	2,739
$25,000 under $50 000 Under $25,000	Under $500 000 $200,000 under $500,000	4,321 638	3,188
$50,000 under $100,000 Under $50,000	Under $1,000,000 $500 000 under $1 000,000	2,247,741	3,717
$100,000 under $200 000 Under $100,000	Under $5,000 000 $1,000,000 under $5,000,000	648,835	2,163
$200,000 under $500 000 Under $200,000	Under $10,000,000 $5,000,000 under $10 000 000	197 079	2,139
$500,000 under $1 000,000 Under $500,000	Under $20 000,000 $10,000 000 under $20 000 000	35,162	1,719
$1,000,000 under $2,000,000 Under $1,000,000	Under $30,000,000 $20,000 000 under $30,000,000	12,593	2,510
$2,000 000 under $5,000,000 Under $2,000,000	Under $50,000,000 $30 000 000 under $50,000 000	5 179	2,583
$5,000,000 and over Under $5,000,000	Any amount $50,000 000 and over	1,653	1,653
Forms 1040 only with Schedule F, but without Form 2555, Form 1116, or Schedule C, total		1,840,508	4,183
Under $25,000	Under $200,000	788,013	306
$25,000 under $50,000 Under $25,000	Under $500,000 $200 000 under $500 000	644 497	432
$50,000 under $100,000 Under $50,000	Under $1,000,000 $500,000 under $1,000,000	306,160	391
$100,000 under $200,000 Under $100,000	Under $5 000 000 $1 000,000 under $5,000 000	66 091	205
$200,000 under $500,000 Under $200 000	Under $10,000,000 $5,000,000 under $10,000,000	26,175	251
$500,000 under $1,000,000 Under $500,000	Under $20 000 000 $10,000,000 under $20,000,000	6 216	312
$1,000,000 under $2 000,000 Under $1,000,000	Under $30 000 000 $20 000 000 under $30,000,000	2,178	1,108
$2,000,000 under $5,000,000 Under $2,000,000	Under $50,000,000 $30,000,000 under $50,000,000	946	946
$5,000,000 and over Under $5,000,000	Any amount $50,000,000 and over	232	232
Forms 1040, 1040A and 1040EZ without Form 2555, Form 1116, Schedule C, or Schedule F, total		93,931,048	65,350
Under $25,000		59,863,863	20,949
$25,000 under $50,000		22,988,274	9,722
$50,000 under $100,000		9,283,529	7,751
$100,000 under $200,000		1,293,217	4,379
$200,000 under $500,000	Not applicable	383 309	4,625
$500,000 under $1,000,000		78,129	4,070
$1,000,000 under $2,000,000		26,925	53690
$2,000,000 under $5,000,000		10,621	5,305
$5,000,000 and over		3 181	3,181

[1] This population includes an estimated 377,023 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling.

[2] This population includes 281 Form 1040 returns that have alternative minimum tax other than zero.

contains the percentage of unavailable returns for Tax Years 1985-1988.

Year	1985	1986	1987	1988
Percent	1.8	0.3	0.1	0.1

After the completion of service center review, data were further validated, tested, and balanced at the Detroit Computing Center. Computer adjustments and imputations for selected fields were used to make each record internally consistent. Data were then tabulated.

A small subsample of returns was selected and independently reviewed, analyzed, and processed for a quality evaluation. Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing.

Sample Redesign

A complete revision to the sample design used to produce the statistics from individual income tax returns is being phased in over a 5-year period beginning with Tax Year 1987 and ending with Tax Year 1991. In addition to new strata classes and methods of estimation, the revisions include the development of a longitudinal panel. For additional details on the redesign see [3], [4], [5], [6] and [7].

Notes and References

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[7] Schirm, A. L., and Czajka, J. L. (1990), "Intertemporal Stability in Total Income and the Overlap in Annual Samples of Tax Returns," in *Proceedings of the Section on Survey Research Methods, American Statistical Association*, 407-412.

Section 3 Basic Tables*

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*Production and review of tables was coordinated by June Walters. Louella Ballenger, William Bradley, Edward Gross, Jr., Charles Hicks, Barbara Marshall, Kenneth Rice, and Emily Ring were responsible for specific tables.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Size of Adjusted Gross Income									
Total	**109,708,280**	**100.0**	**3,083,019,783**	**100.0**	**28,102**	**87,135,332**	**100.0**	**2,989,915,092**	**100.0**
No adjusted gross income	835,420	0.8	−41,136,289	(*)	−49,240	5,952	(*)	−3,558,231	(*)
$1 under $1,000	3,126,849	2.9	1,859,321	0.1	595	904,855	1.0	680,691	(*)
$1,000 under $2,000	3,867,063	3.5	5,783,536	0.2	1,496	1,084,349	1.2	1,591,311	0.1
$2,000 under $3,000	3,589,370	3.3	8,921,465	0.3	2,486	884,236	1.0	2,201,835	0.1
$3,000 under $4,000	3,347,791	3.1	11,705,181	0.4	3,496	1,341,720	1.5	4,669,966	0.2
$4,000 under $5,000	3,118,816	2.8	14,016,183	0.5	4,494	949,608	1.1	4,279,048	0.1
$5,000 under $6,000	3,083,053	2.8	17,011,716	0.6	5,518	1,979,501	2.3	10,924,397	0.4
$6,000 under $7,000	3,134,576	2.9	20,385,726	0.7	6,504	2,019,102	2.3	13,129,220	0.4
$7,000 under $8,000	3,139,547	2.9	23,485,451	0.8	7,481	1,915,160	2.2	14,315,836	0.5
$8,000 under $9,000	3,051,747	2.8	25,947,056	0.8	8,502	1,940,746	2.2	16,513,134	0.6
$9,000 under $10,000	2,991,996	2.7	28,410,071	0.9	9,495	1,911,374	2.2	18,153,480	0.6
$10,000 under $11,000	2,857,935	2.6	29,994,051	1.0	10,495	2,023,118	2.3	21,246,831	0.7
$11,000 under $12,000	2,704,240	2.5	31,093,843	1.0	11,498	1,916,366	2.2	22,061,176	0.7
$12,000 under $13,000	2,725,537	2.5	34,059,583	1.1	12,496	2,080,175	2.4	25,998,673	0.9
$13,000 under $14,000	2,802,095	2.6	37,801,217	1.2	13,490	2,195,157	2.5	29,624,653	1.0
$14,000 under $15,000	2,626,234	2.4	38,023,673	1.2	14,478	2,189,640	2.5	31,704,722	1.1
$15,000 under $16,000	2,598,308	2.4	40,272,975	1.3	15,500	2,362,514	2.7	36,621,178	1.2
$16,000 under $17,000	2,367,239	2.2	39,102,465	1.3	16,518	2,194,035	2.5	36,250,230	1.2
$17,000 under $18,000	2,456,735	2.2	43,013,019	1.4	17,508	2,342,965	2.7	41,029,605	1.4
$18,000 under $19,000	2,196,171	2.0	40,600,463	1.3	18,487	2,131,858	2.4	39,418,043	1.3
$19,000 under $20,000	2,141,719	2.0	41,769,448	1.4	19,503	2,098,442	2.4	40,929,611	1.4
$20,000 under $25,000	9,278,762	8.5	207,837,324	6.7	22,399	9,141,213	10.5	204,811,083	6.9
$25,000 under $30,000	7,517,739	6.9	206,201,583	6.7	27,429	7,461,750	8.6	204,667,435	6.8
$30,000 under $40,000	11,956,599	10.9	415,310,642	13.5	34,735	11,895,769	13.7	413,203,096	13.8
$40,000 under $50,000	8,264,514	7.5	369,115,676	12.0	44,663	8,249,552	9.5	368,437,697	12.3
$50,000 under $75,000	8,884,085	8.1	532,715,520	17.3	59,828	8,897,085	10.2	532,315,125	17.8
$75,000 under $100,000	2,520,476	2.3	214,204,828	6.9	84,986	2,518,463	2.9	214,024,329	7.2
$100,000 under $200,000	1,778,258	1.6	236,074,161	7.7	132,756	1,776,104	2.0	235,793,141	7.9
$200,000 under $500,000	548,472	0.5	161,914,657	5.3	295,210	547,869	0.6	161,736,529	5.4
$500,000 under $1,000,000	114,808	0.1	77,893,798	2.5	678,470	114,682	0.1	77,808,122	2.6
$1,000,000 or more	62,065	0.1	169,631,441	5.5	2,733,126	61,972	0.1	169,333,126	5.7

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Size of Adjusted Gross Income											
Total	**87,088,935**	**2,061,956,733**	**100.0**	**87,120,969**	**411,842,025**	**100.0**	**412,869,909**	**100.0**	**20.0**	**13.8**	**4,738**
No adjusted gross income				14	715	(*)	108,837	(*)			18,286
$1 under $1,000	896,271	171,576	(*)	904,844	30,726	(*)	31,040	(*)	18.1	4.6	34
$1,000 under $2,000	1,084,347	517,517	(*)	1,084,347	89,217	(*)	89,331	(*)	17.3	5.6	82
$2,000 under $3,000	881,379	498,747	(*)	884,236	83,777	(*)	83,777	(*)	16.8	3.8	95
$3,000 under $4,000	1,338,860	986,471	(*)	1,341,718	157,216	(*)	157,267	(*)	15.9	3.4	117
$4,000 under $5,000	946,750	1,456,532	0.1	949,608	238,795	0.1	238,795	0.1	16.4	5.6	251
$5,000 under $6,000	1,979,495	2,509,815	0.1	1,979,495	376,308	0.1	376,454	0.1	15.0	3.4	190
$6,000 under $7,000	2,019,101	3,832,068	0.2	2,019,101	567,850	0.1	567,852	0.1	14.8	4.3	281
$7,000 under $8,000	1,905,206	5,080,138	0.2	1,915,160	789,638	0.2	789,638	0.2	15.5	5.5	412
$8,000 under $9,000	1,938,165	6,737,596	0.3	1,940,741	1,013,597	0.2	1,013,683	0.2	15.0	6.1	522
$9,000 under $10,000	1,911,374	7,872,207	0.4	1,911,374	1,166,984	0.3	1,166,984	0.3	14.8	6.4	611
$10,000 under $11,000	2,023,012	9,330,936	0.5	2,023,012	1,381,529	0.3	1,381,952	0.3	14.8	6.5	683
$11,000 under $12,000	1,916,069	11,254,744	0.5	1,916,069	1,517,688	0.4	1,519,100	0.4	14.8	6.9	793
$12,000 under $13,000	2,079,875	12,742,359	0.6	2,079,875	1,829,596	0.4	1,832,371	0.4	14.4	7.0	881
$13,000 under $14,000	2,195,156	15,019,043	0.7	2,195,156	2,128,938	0.5	2,128,951	0.5	14.2	7.2	970
$14,000 under $15,000	2,189,554	16,818,013	0.8	2,189,554	2,379,670	0.6	2,382,438	0.6	14.2	7.5	1,088
$15,000 under $16,000	2,362,431	19,454,549	0.9	2,362,431	2,706,451	0.7	2,710,372	0.7	13.9	7.4	1,147
$16,000 under $17,000	2,193,734	19,414,654	0.9	2,193,734	2,743,356	0.7	2,743,404	0.7	14.1	7.6	1,250
$17,000 under $18,000	2,342,945	22,156,085	1.1	2,342,945	3,219,594	0.8	3,219,645	0.8	14.5	7.8	1,374
$18,000 under $19,000	2,131,773	23,712,872	1.1	2,131,773	3,164,578	0.8	3,165,841	0.8	14.6	8.0	1,485
$19,000 under $20,000	2,098,348	24,635,346	1.1	2,098,348	3,461,504	0.8	3,465,798	0.8	14.7	8.5	1,652
$20,000 under $25,000	9,140,158	123,509,540	6.0	9,140,158	18,266,445	4.4	18,278,344	4.4	14.8	8.9	2,000
$25,000 under $30,000	7,459,032	130,308,553	6.3	7,461,397	20,350,002	4.9	20,361,642	4.9	15.6	9.9	2,729
$30,000 under $40,000	11,895,037	274,212,100	13.3	11,895,037	44,110,509	10.7	44,138,991	10.7	16.1	10.7	3,710
$40,000 under $50,000	8,248,966	254,456,948	12.4	8,248,966	42,743,177	10.4	42,768,361	10.4	16.8	11.6	5,184
$50,000 under $75,000	8,895,457	383,157,897	18.6	8,895,457	74,303,253	18.0	74,340,917	18.0	19.4	14.0	8,356
$75,000 under $100,000	2,518,146	159,573,901	7.7	2,518,146	35,630,908	8.7	35,685,329	8.6	22.4	16.7	14,169
$100,000 under $200,000	1,774,587	183,184,673	8.9	1,774,587	47,647,960	11.6	47,837,393	11.6	26.1	20.3	26,934
$200,000 under $500,000	547,249	134,655,949	6.5	547,229	38,446,620	9.3	38,699,740	9.4	28.7	23.9	70,637
$500,000 under $1,000,000	114,562	67,552,225	3.3	114,564	19,040,602	4.6	19,162,981	4.6	28.4	24.6	167,097
$1,000,000 or more	61,896	150,744,777	7.3	61,896	42,254,821	10.3	42,422,678	10.3	28.1	25.1	684,546

Footnotes at end of table

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns: Number of returns	All returns: Percent of total	All returns: Adjusted gross income less deficit: Amount	All returns: Adjusted gross income less deficit: Percent of total [1]	All returns: Adjusted gross income less deficit: Average (dollars)	Taxable returns: Number of returns	Taxable returns: Percent of total	Taxable returns: Adjusted gross income less deficit: Amount	Taxable returns: Adjusted gross income less deficit: Percent of total [1]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cumulated from Smallest Size of Adjusted Gross Income									
No adjusted gross income	835,420	0.8	-41,136,289	(3)	-49,240	5,952	(2)	-3,558,231	(3)
$1 under $1,000	3,126,849	2.9	1,859,321	0.1	595	904,855	1.0	680,691	(2)
$1 under $2,000	6,993,911	6.4	7,642,857	0.2	1,093	1,989,204	2.3	2,272,001	0.1
$1 under $3,000	10,583,281	9.6	16,564,322	0.5	1,565	2,873,440	3.3	4,473,836	0.1
$1 under $4,000	13,931,072	12.7	28,269,503	0.9	2,029	4,215,160	4.8	9,143,803	0.3
$1 under $5,000	17,049,889	15.5	42,285,686	1.4	2,480	5,164,768	5.9	13,422,851	0.4
$1 under $6,000	20,132,942	18.4	59,297,402	1.9	2,945	7,144,269	8.2	24,347,248	0.8
$1 under $7,000	23,267,518	21.2	79,683,128	2.6	3,425	9,163,371	10.5	37,476,468	1.3
$1 under $8,000	26,407,065	24.1	103,168,579	3.3	3,907	11,078,531	12.7	51,792,304	1.7
$1 under $9,000	29,458,813	26.9	129,115,635	4.1	4,383	13,019,276	14.9	68,305,439	2.3
$1 under $10,000	32,450,809	29.6	157,525,705	5.0	4,854	14,930,650	17.1	86,458,919	2.9
$1 under $11,000	35,308,743	32.2	187,519,756	6.0	5,311	16,953,768	19.5	107,705,750	3.6
$1 under $12,000	38,012,984	34.6	218,613,600	7.0	5,751	18,870,134	21.7	129,766,926	4.3
$1 under $13,000	40,738,521	37.1	252,673,183	8.1	6,202	20,950,309	24.0	155,765,600	5.2
$1 under $14,000	43,540,616	39.7	290,474,400	9.3	6,671	23,145,466	26.6	185,390,252	6.2
$1 under $15,000	46,166,850	42.1	328,498,073	10.5	7,115	25,335,107	29.1	217,094,974	7.3
$1 under $16,000	48,765,158	44.4	368,771,048	11.8	7,562	27,697,620	31.8	253,716,152	8.5
$1 under $17,000	51,132,398	46.6	407,873,513	13.1	7,977	29,891,655	34.3	289,966,382	9.7
$1 under $18,000	53,589,191	48.8	450,886,533	14.4	8,414	32,234,620	37.0	330,995,988	11.1
$1 under $19,000	55,785,362	50.8	491,486,995	15.7	8,810	34,366,478	39.4	370,414,031	12.4
$1 under $20,000	57,927,081	52.8	533,256,444	17.1	9,206	36,464,921	41.8	411,343,641	13.7
$1 under $25,000	67,205,842	61.3	741,093,768	23.7	11,027	45,606,134	52.3	616,154,725	20.6
$1 under $30,000	74,723,581	68.1	947,295,351	30.3	12,677	53,067,884	60.9	820,822,160	27.4
$1 under $40,000	86,680,181	79.0	1,362,605,993	43.6	15,720	64,963,653	74.6	1,234,025,255	41.2
$1 under $50,000	94,944,695	86.5	1,731,721,668	55.4	18,239	73,213,205	84.0	1,602,462,952	53.5
$1 under $75,000	103,848,780	94.7	2,264,437,188	72.5	21,805	82,110,290	94.2	2,134,778,077	71.3
$1 under $100,000	106,369,256	97.0	2,478,642,016	79.3	23,302	84,628,753	97.1	2,348,802,406	78.5
$1 under $200,000	108,147,514	98.6	2,714,716,176	86.9	25,102	86,404,857	99.2	2,584,595,546	86.3
$1 under $500,000	108,695,986	99.1	2,876,630,833	92.1	26,465	86,952,726	99.8	2,746,332,075	91.7
$1 under $1,000,000	108,810,795	99.2	2,954,524,631	94.6	27,153	87,067,408	99.9	2,824,140,197	94.3
$1 or more	108,872,859	99.2	3,124,156,072	100.0	28,695	87,129,380	100.0	2,993,473,323	100.0
All returns	**109,708,260**	**100.0**	**3,083,019,783**	**98.7**	**28,102**	**87,135,332**	**100.0**	**2,989,915,092**	**99.9**

Size and accumulated size of adjusted gross income	Taxable returns—Continued: Taxable income: Number of returns	Taxable income: Amount	Taxable income: Percent of total	Income tax after credits: Number of returns	Income tax after credits: Amount	Income tax after credits: Percent of total	Total income tax: Amount	Total income tax: Percent of: Total	Total income tax: Percent of: Taxable income	Total income tax: Percent of: Adjusted gross income less deficit	Total income tax: Average income tax (dollars)
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Cumulated from Smallest Size of Adjusted Gross Income											
No adjusted gross income	—	—	—	14	715	(3)	108,837	(2)	(3)	(3)	18,286
$1 under $1,000	896,271	171,576	(2)	904,844	30,726	(2)	31,040	(2)	18.1	4.6	34
$1 under $2,000	1,980,618	689,093	(2)	1,989,191	119,943	(2)	120,371	(2)	17.5	5.3	61
$1 under $3,000	2,861,997	1,187,840	0.1	2,873,427	203,720	(2)	204,148	(2)	17.2	4.6	71
$1 under $4,000	4,200,857	2,174,311	0.1	4,215,145	360,936	0.1	361,416	0.1	16.6	4.0	86
$1 under $5,000	5,147,607	3,630,843	0.2	5,164,753	599,731	0.1	600,211	0.1	16.5	4.5	116
$1 under $6,000	7,127,102	6,140,657	0.3	7,144,248	976,039	0.2	976,664	0.2	15.9	4.0	137
$1 under $7,000	9,146,203	9,972,725	0.5	9,163,349	1,543,889	0.4	1,544,517	0.4	15.5	4.1	169
$1 under $8,000	11,051,409	15,052,863	0.7	11,078,509	2,333,527	0.6	2,334,155	0.6	15.5	4.5	211
$1 under $9,000	12,989,575	21,790,459	1.1	13,019,249	3,347,124	0.8	3,347,838	0.8	15.4	4.9	257
$1 under $10,000	14,900,949	29,662,667	1.4	14,930,623	4,514,108	1.1	4,514,823	1.1	15.2	5.2	302
$1 under $11,000	16,923,960	38,993,603	1.9	16,953,635	5,895,638	1.4	5,896,775	1.4	15.1	5.5	348
$1 under $12,000	18,840,030	49,248,347	2.4	18,869,704	7,413,326	1.8	7,415,875	1.8	15.1	5.7	393
$1 under $13,000	20,919,904	61,990,706	3.0	20,949,579	9,242,922	2.2	9,248,246	2.2	14.9	5.9	441
$1 under $14,000	23,115,061	77,009,749	3.7	23,144,735	11,371,860	2.8	11,377,197	2.8	14.8	6.1	492
$1 under $15,000	25,304,615	93,827,762	4.6	25,334,290	13,751,529	3.3	13,759,635	3.3	14.7	6.3	543
$1 under $16,000	27,667,046	113,282,311	5.5	27,696,720	16,457,980	4.0	16,470,007	4.0	14.5	6.5	595
$1 under $17,000	29,860,780	132,696,965	6.4	29,890,454	19,201,336	4.7	19,213,411	4.7	14.5	6.6	643
$1 under $18,000	32,203,724	154,853,051	7.5	32,233,399	22,420,931	5.4	22,433,055	5.4	14.5	6.8	696
$1 under $19,000	34,335,498	176,566,023	8.6	34,365,171	25,585,509	6.2	25,598,897	6.2	14.5	6.9	745
$1 under $20,000	36,433,846	200,201,069	9.7	36,463,520	29,047,013	7.1	29,064,695	7.0	14.5	7.1	797
$1 under $25,000	45,574,004	323,710,609	15.7	45,603,677	47,313,458	11.5	47,343,039	11.5	14.6	7.7	1,038
$1 under $30,000	53,033,036	454,019,162	22.0	53,065,074	67,663,460	16.4	67,704,681	16.4	14.9	8.2	1,276
$1 under $40,000	64,928,073	728,231,262	35.3	64,960,111	111,773,969	27.1	111,843,672	27.1	15.4	9.1	1,722
$1 under $50,000	73,177,040	983,187,310	47.7	73,209,078	154,517,146	37.5	154,612,032	37.4	15.7	9.6	2,112
$1 under $75,000	82,072,496	1,366,245,207	66.3	82,104,534	228,820,399	55.6	228,952,949	55.5	16.8	10.7	2,788
$1 under $100,000	84,590,642	1,525,819,109	74.0	84,622,680	264,451,307	64.2	264,638,279	64.1	17.3	11.3	3,127
$1 under $200,000	86,365,229	1,709,003,782	82.9	86,397,267	312,099,267	75.8	312,475,672	75.7	18.3	12.1	3,616
$1 under $500,000	86,912,478	1,843,659,731	89.4	86,944,496	350,545,887	85.1	351,175,412	85.1	19.0	12.8	4,039
$1 under $1,000,000	87,027,040	1,911,211,957	92.7	87,059,059	369,586,489	89.7	370,338,393	89.7	19.4	13.1	4,253
$1 or more	87,088,935	2,061,956,733	100.0	87,120,955	411,841,310	100.0	412,761,071	100.0	20.0	13.8	4,737
All returns	**87,088,935**	**2,061,956,733**	**100.0**	**87,120,969**	**411,842,025**	**100.0**	**412,869,909**	**100.0**	**20.0**	**13.8**	**4,738**

Footnote(s) at end of table

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total [1]	Average (dollars)			Amount	Percent of total [1]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cumulated from Largest Size of Adjusted Gross Income									
$1 000 000 or more	62 065	0 1	169 631 441	5 4	2 733 126	61 972	0 1	169 333 126	5 7
$500 000 or more	176 873	0 2	247 525 239	7 9	1 399 452	176 654	0 2	247,141 248	8 3
$200 000 or more	725 345	0 7	409 439 896	13 1	564 476	724 523	0 8	408 877 777	13 7
$100 000 or more	2 503 603	2 3	645 514 057	20 7	257 834	2 500 627	2 9	644 670 917	21 5
$75 000 or more	5 024 079	4 6	859 718 884	27 5	171 120	5 019 090	5 8	858 695 246	28 7
$50 000 or more	13 928 164	12 7	1 392 434 404	44 6	99 973	13 916 175	16 0	1 391 010 371	46 5
$40 000 or more	22 192 678	20 2	1 761 550 079	56 4	79 375	22 165 727	25 4	1 759 448 068	58 8
$30 000 or more	34 149 278	31 1	2 176 860 721	69 7	63 745	34 061 496	39 1	2 172 651 163	72 6
$25 000 or more	41 667 017	38 0	2 383 062 304	76 3	57 193	41 523 247	47 7	2 377 318 598	79 4
$20 000 or more	50 945 779	46 4	2 590 899 628	82 9	50 856	50 664 459	58 1	2,582 129 682	86 3
$19 000 or more	53 087 498	48 4	2 632 669 077	84 3	49 591	52 762 902	60 6	2 623 059 292	87 6
$18 000 or more	55 283 669	50 4	2 673 269 539	85 6	48 356	54 894 760	63 0	2 662 477 335	88 9
$17 000 or more	57 740 462	52 6	2 716 282 559	86 9	47 043	57 237 725	65 7	2 703 506 941	90 3
$16 000 or more	60 107 701	54 8	2 755 385 024	88 2	45 841	59 431 760	68 2	2 739 757 171	91 5
$15 000 or more	62 706 009	57 2	2 795 657 999	89 5	44 584	61 794 274	70 9	2 776 378 349	92 7
$14 000 or more	65 332 243	59 6	2 833 681 672	90 7	43 373	63 983 914	73 4	2 808 083 071	93 8
$13,000 or more	68 134 339	62 1	2 871 482 889	91 9	42 144	66 179 071	75 9	2 837 707 723	94 8
$12 000 or more	70 859 876	64 6	2 905 542 473	93 0	41 004	68 259 246	78 3	2 863 706 397	95 7
$11 000 or more	73 564 116	67 1	2 936 636 316	94 0	39 919	70 175 612	80 5	2 885 767 573	96 4
$10 000 or more	76 422 051	69 7	2 966 630 367	95 0	38 819	72 198 730	82 9	2 907 014 404	97 1
$9 000 or more	79 414 047	72 4	2 995 040 437	95 9	37 714	74 110 104	85 1	2 925 167 884	97 7
$8 000 or more	82 465 794	75 2	3 020 987 493	96 7	36 633	76 050 849	87 3	2 941 681 019	98 3
$7 000 or more	85 605,341	78 0	3 044 472,944	97 4	35 564	77 966,009	89 5	2 955 996 855	98 7
$6 000 or more	88 739 918	80 9	3 064 858 670	98 1	34 538	79 985,111	91 8	2 969 126 075	99 2
$5 000 or more	91 822 971	83 7	3 081 870 386	98 6	33 563	81 964 612	94 1	2 980 050 472	99 6
$4 000 or more	94 941 787	86 5	3 095 886 569	99 1	32 608	82 914 220	95 2	2 984 329 520	99 7
$3 000 or more	98,289,578	89 6	3 107,591 750	99 5	31 617	84 255 940	96 7	2 988 999 487	99 9
$2 000 or more	101,878 948	92 9	3 116 513 215	99 8	30,590	85 140 176	97 7	2 991 201 322	99 9
$1 000 or more	105 746,011	96 4	3 122 296 751	99 9	29 526	86,224 525	99 0	2 992 792 632	100 0
$1 or more	108 872 859	99 2	3 124 156 072	100 0	28 695	87 129 380	100 0	2 993 473 323	100 0
All returns	**109,708,280**	**100.0**	**3,083,019,783**	**98.7**	**28,102**	**87,135,332**	**100.0**	**2,989,915,092**	**99.9**

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
								Percent of			
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Total	Taxable income	Adjusted gross income less deficit	Average income tax (dollars)
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Cumulated from Largest Size of Adjusted Gross Income											
$1 000 000 or more	61 896	150 744 772	7 3	61 896	42 254 821	10 3	42 422 678	10 3	28 1	25 1	684 546
$500 000 or more	176 457	218 297 002	10 6	176 459	61 295 422	14 9	61 585 659	14 9	28 2	24 9	348 623
$200 000 or more	723 707	352 952 952	17 1	723 688	99 742 042	24 2	100 285 400	24 3	28 4	24 5	138 416
$100 000 or more	2 498 293	536 137 625	26 0	2 498 275	147 390,002	35 8	148 122 793	35 9	27 6	23 0	59 234
$75 000 or more	5,016 439	695 711 526	33 7	5 016 420	183 020 910	44 4	183 808 122	44 5	26 4	21 4	36 622
$50 000 or more	13 911 896	1 078 769 423	52 3	13 911 877	257 324 163	62 5	258 149 039	62 5	23 9	18 6	18 550
$40 000 or more	22 160 862	1 333 725 472	64 7	22 160 844	300 067 341	72 9	300 917 400	72 9	22 6	17 1	13 576
$30 000 or more	34 055 899	1 607 937 571	78 0	34 055 881	344 177 850	83 6	345 056 391	83 6	21 5	15 9	10 130
$25 000 or more	41 514 931	1 738 246 125	84 3	41 517 278	364 527 852	88 5	365 418 032	88 5	21 0	15 4	8,800
$20 000 or more	50 655 089	1 861 755 665	90 3	50 657 435	382 794 297	92 9	383 696 376	92 9	20 6	14 9	7 573
$19 000 or more	52 753 438	1 885 390 711	91 4	52 755 784	386 255 801	93 8	387 162 175	93 8	20 5	14 8	7 338
$18 000 or more	54 885 211	1 907 103 683	92 5	54 887 556	389 420 379	94 6	390 328 016	94 5	20 5	14 7	7 110
$17 000 or more	57,228 156	1 929 259 768	93 6	57 230 501	392 639 474	95 3	393 547 661	95 3	20 4	14 6	6 876
$16 000 or more	59 421 889	1 948 674 422	94 5	59 424 235	395 383 330	96 0	396 291 065	96 0	20 3	14 5	6 668
$15 000 or more	61 784 320	1 968 128 972	95 4	61 786 665	398 089 780	96 7	399 001 436	96 6	20 3	14 4	6 457
$14 000 or more	63 973 874	1 984 946 985	96 3	63 976 220	400 469 450	97 2	401 383 875	97 2	20 2	14 3	6 273
$13 000 or more	66 169 031	1 999 966 028	97 0	66 171 376	402 598 388	97 8	403 512 826	97 7	20 2	14 2	6,097
$12 000 or more	68 248 905	2 012 708 387	97 6	68 251 251	404 427 984	98 2	405 345 197	98 2	20 1	14 2	5 938
$11 000 or more	70 164 975	2 022 963 131	98 1	70 167 320	405 945 672	98 6	406 864 297	98 5	20 1	14 1	5 798
$10 000 or more	72 187 986	2 032 294 066	98 6	72 190 332	407 327 201	98 9	408 246 249	98 9	20 1	14 0	5 654
$9 000 or more	74 099 361	2 040 166 274	98 9	74 101 706	408 494 186	99 2	409 413 233	99 2	20 1	14 0	5 524
$8 000 or more	76 037 526	2 046 903 870	99 3	76 042 446	409 507 783	99 4	410 426 916	99 4	20 1	14 0	5 397
$7 000 or more	77 942 732	2 051 984 008	99 5	77 957 606	410 297 421	99 6	411 216 555	99 6	20 0	13 9	5 274
$6 000 or more	79 961 833	2 055 816 076	99 7	79 976 707	410 865 271	99 8	411 784 407	99 7	20 0	13 9	5 148
$5 000 or more	81 941 328	2 058 325 891	99 8	81 956 202	411 241 579	99 9	412 160 861	99 8	20 0	13 8	5 029
$4 000 or more	82 888 078	2 059 782 422	99 9	82 905 810	411 480 374	99 9	412 399 656	99 9	20 0	13 8	4 974
$3 000 or more	84 226 939	2 060 768 893	99 9	84 247 528	411 637 590	100 0	412 556 923	99 9	20 0	13 8	4 896
$2 000 or more	85 108 317	2 061 267 640	100 0	85 131 764	411 721 367	100 0	412 640 700	99 9	20 0	13 8	4 847
$1 000 or more	86,192 664	2 061 785 157	100 0	86 216 111	411 810 584	100 0	412 730 031	100 0	20 0	13 8	4 787
$1 or more	87 088 935	2 061 956 733	100 0	87 120 955	411 841 310	100 0	412 761,071	100 0	20 0	13 8	4 737
All returns	**87,088,935**	**2,061,956,733**	**100.0**	**87,120,969**	**411,842,025**	**100.0**	**412,869,909**	**100.0**	**20.0**	**13.8**	**4,738**

[1] Percent based on positive adjusted gross income only.
Less than 0.05 percent.
Percent not computed.
NOTE: Detail may not add to total because of rounding.

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total	**109,708,280**	**3,083,019,783**	**430,771,177**	**31,902,985**	**395,216,456**	**76,471,827**	**289,564,223**	**90,281,729**	**2,069,966,980**	**87,120,969**	**411,842,025**	**87,135,332**	**412,869,909**
No adjusted gross income	835 420	– 41 136 289	3 206,306	—	—	—	—	—	—	14	715	5,952	108,837
$1 under $1 000	3 126 849	1 859 321	3 280 048	11 128	123 069	3 089 413	5 008 468	908 395	171 676	904 844	30 726	904 855	31 040
$1 000 under $2 000	3 867 063	5 783 536	4 971 634	26 891	203 900	3 822 368	8 501 829	1 100 026	521 009	1 084 347	89 217	1 084 349	89 331
$2 000 under $3 000	3 589 370	8 921 465	5 538,541	39 229	346 691	3 517 316	10 119 750	902 773	523 268	884 236	83 777	884 236	83 777
$3 000 under $4 000	3 347,791	11,705,181	6 060,034	72,284	399 099	3,251 255	10 576,187	1 350 291	1,003 911	1,341,718	157,216	1 341,720	157,267
$4 000 under $5 000	3 118 816	14 016 183	6 958 555	48,711	483,627	3,042 995	10,362 337	958 181	1 465 756	949 608	238,795	949 608	238 795
$5 000 under $6 000	3 083 053	17,011 716	7 302,502	103,255	845,242	2,962 068	10 348 157	2 014 188	2,538 631	1 979 495	376,308	1 979 501	376 454
$6 000 under $7 000	3 134 576	20,385 726	8 872 889	109 549	837,363	3,003 631	10 945,720	2,077 362	3 871,192	2,019 101	567 850	2 019 102	567 852
$7 000 under $8 000	3 139 547	23 485 451	9 609 022	177 404	1 408,511	2 944 998	11 027 100	1 947 337	5 160,613	1,915,160	789 638	1 915 160	789 638
$8,000 under $9 000	3 051 747	25 947 056	9 357,247	144 502	1 154 109	2 878 011	10 891 617	2 125,884	6 948,561	1 940,741	1,013 597	1 940 746	1,013 683
$9 000 under $10 000	2 991 996	28 410 071	9 741,119	162 832	1 391 588	2,797 805	10 771 748	2,226,295	8 384 854	1 911 374	1 166,984	1 911 374	1 166,984
$10 000 under $11 000	2 857 935	29 994 051	9 351,545	165,986	1 627,940	2,674,427	10 406 143	2,395 628	10 014 776	2,023,012	1,381,529	2 023 118	1 381 952
$11 000 under $12 000	2 704 240	31,093,843	9 334 775	194 896	1 528,264	2 492 199	9 896,608	2 412 908	11 166 801	1 916,069	1 517 688	1 916,366	1 519 100
$12 000 under $13 000	2 725 537	34 059 583	9 353,853	232,946	1 733 308	2 479 036	9 733,440	2 515 948	13 788 050	2,079,875	1 829 596	2 080 175	1 832 371
$13 000 under $14 000	2 802 095	37 801 217	10 187 529	250 908	1 832,900	2 539 831	10 094 111	2 621 728	16 191,091	2 195 156	2 128 938	2 195 157	2 128 951
$14 000 under $15 000	2 626,234	38,023 673	9 420 168	338 746	2 626 269	2 274 070	8 909 850	2 479 865	17 629 360	2 189,554	2 379 670	2 189 640	2 382 438
$15 000 under $16 000	2 598 308	40 272 975	9 419 208	310 493	2 376 045	2 259 972	8 903,838	2 524 212	19 880 825	2 362,431	2 706,451	2 362,514	2 710 372
$16 000 under $17 000	2 367,239	39 102,465	9 205 919	330 678	2 396,704	2 024 473	8 187 868	2,272 637	19 726,608	2 193,734	2 743,356	2 194,035	2,743,404
$17 000 under $18 000	2 456 793	43 013 019	9 704 792	359 017	2 668,219	2,087 811	8 498,678	2 411 339	22,368 519	2,342,945	3 219 594	2 342,965	3 219 645
$18 000 under $19 000	2 196 171	40 600 463	8 777 332	316 003	2 480 903	1 868 080	7 725 114	2 153 194	21 824 217	2 131 773	3 164 578	2 131 858	3 165 841
$19 000 under $20 000	2 141 719	41 769 448	8 319 921	365 607	2 619 775	1 763,290	7 173,337	2 118 102	23,777 890	2,098,348	3 461,504	2 098 442	3,465 798
$20 000 under $25 000	9 278 762	207,837 324	38 838 356	2 119,585	16,033 227	7 120,492	29 760 529	9 191 617	123 752 465	9 140,158	18,266 445	9 141 213	18 278 344
$25 000 under $30 000	7 517 739	206,201 583	34 865 439	2 459 551	19 210 943	5 029 416	21 853,171	7 485,237	130 581 872	7 461 397	20,350 002	7 461 750	20,361 642
$30 000 under $40 000	11 956,599	415,310 642	61,589 310	6 001 876	52 603 466	5 929,320	27 177 827	11 920 216	274 610 363	11,895,037	44 110,509	11 895 769	44 138 991
$40 000 under $50 000	8,264 514	369 115 676	46 384 965	5,524 611	54 529 617	2,731,748	13 276 824	8,253,967	255 121 323	8 248 966	42,743 177	8 249 552	42 768 361
$50 000 under $75 000	8 904 085	532 715 520	52 066 549	7 367 772	90 065,954	1 532,590	7 627 662	8,897 248	383,088 855	8 895 457	74 303 253	8 897 085	74 340 917
$75,000 under $100 000	2 520 476	214 204 828	14 549 888	2 280 238	38,957 294	240 238	1 213 196	2,518 150	159 574 120	2 518 146	35 630,908	2 518 463	35 685 329
$100,000 under $200 000	1 778 258	236 074 161	10 325 428	1 682 932	42 219 155	95 030	474 793	1 775 165	183 252,229	1 774,587	47 647 960	1 776 104	47 837 393
$200 000 under $500,000	548,472	161 914 657	3 184 713	531 688	24 111 676	16 775	83 203	547 352	134 674,810	547 229	38 446 620	547,869	38 699 740
$500 000 under $1 000 000	114 808	77 893 798	655 995	112 433	9 765 330	2 348	11 430	114 575	67 559 945	114 564	19 040 602	114 682	19 162 981
$1 000 000 or more	62 065	169 631,441	337 596	61,231	18 636,268	821	3 687	61 910	150 793,390	61 896	42,254 821	61 972	42 422 678
Taxable returns, total	**87,135,332**	**2,989,915,092**	**344,414,520**	**30,370,549**	**373,923,491**	**56,414,729**	**214,378,920**	**87,088,935**	**2,061,956,733**	**87,120,969**	**411,842,025**	**87,135,332**	**412,869,909**
No adjusted gross income	5 952	– 3 558 231	25 025	—			—	—	—	14	715	5 952	108 837
$1 under $1,000	904,855	680 691	16 780	**24,507	**64 821	904 845	536 039	896,271	171 576	904 844	30,726	904 855	31 040
$1 000 under $2 000	1 084 349	1 591,311	—	**	**	1,084 347	1,073,791	1,084 347	517 517	1,084 347	89 217	1 084 349	89 331
$2,000 under $3 000	884 236	2 201 835	5,576		—	884 236	1 705 851	881 379	498 747	884 236	83 777	884 236	83 777
$3 000 under $4 000	1 341 720	4 669 966	19 550	**	**	1 322 448	3 666,476	1,338 860	986,471	1 341,718	157 216	1 341,720	157 267
$4 000 under $5 000	949 608	4 279 048	178 764	—	—	931,071	2 646 081	946 750	1 456 532	949,608	238 795	949 608	238 795
$5,000 under $6 000	1 979 501	10 924 397	2 550 526	**	**	1 955 082	5 817 730	1 979 495	2 509 815	1 979 495	376,308	1 979 501	376 454
$6 000 under $7 000	2 019 102	13 129,220	3 153,211	36 417	106 362	1,966,271	6 037 582	2,019 101	3,832 068	2 019,101	567,850	2 019,102	567,852
$7 000 under $8,000	1 915 160	14 315 836	3 325,218	67 041	273,992	1 836,688	5 672,051	1 905,206	5,080,138	1 915,160	789,638	1 915,160	789 638
$8 000 under $9 000	1 940 746	16 513 134	3 645,899	57 533	258 107	1 865,409	5,874 811	1 938,165	6 737,596	1 940,741	1 013 597	1 940,746	1 013 683
$9 000 under $10 000	1 911 374	18 153 480	3 911 051	74 001	373 134	1 824 552	6 000 987	1 911 374	7 872 207	1 911,374	1 166 984	1 911 374	1 166 984
$10,000 under $11,000	2 023 118	21 246 831	4 635 719	82 708	411 567	1 925 013	6 871 838	2 023 012	9 330 936	2 023,012	1 381 529	2,023 118	1 381 952
$11,000 under $12 000	1 916,366	22 061 176	4 640 814	98 617	492 807	1 803 461	6 674 223	1 916 069	10 254 744	1 916,069	1 517 688	1 916,366	1 519 100
$12 000 under $13 000	2 080 175	25 998 673	5 306 375	144 223	846 930	1 922 397	7 135 198	2 079 875	12 742,359	2 079,875	1 829 596	2 080,175	1 832,371
$13,000 under $14 000	2 195 157	29 624 653	5 992 057	178,504	1 044 500	2 005,298	7,568 768	2 195 156	15 019,043	2 195,156	2 128,938	2 195,157	2,128 951
$14 000 under $15 000	2 189 640	31 704 722	6 263 078	240 685	1 358 090	1 935,537	7,293 072	2 189 554	16 818 013	2,189,554	2,379 670	2 189 640	2,382 438
$15 000 under $16 000	2 362 514	36 621 178	7 523 877	250 770	1 573 572	2 083 900	8 077 646	2 362 431	19 454 549	2 362 431	2 706 451	2 362 514	2 710 372
$16 000 under $17 000	2 194 035	36 250 230	7 622 926	269 727	1 588 357	1 912 220	7 657 748	2 193 734	19 414 654	2 193 734	2 743 356	2 194 035	2 743 404
$17,000 under $18,000	2 342 965	41 029 605	8 713 502	312 391	1 991 395	2,020 610	8 172 959	2 342 945	22 156 085	2 342 945	3,219 594	2 342 965	3 219 645
$18,000 under $19,000	2 131 858	39 418,043	8 326 075	273 844	1 760 574	1 845 926	7 617 776	2 131,774	21 712 972	2 131 773	3,164 578	2 131,858	3 165 841
$19,000 under $20,000	2 098 442	40 929 611	7 984 488	342 070	2 265 463	1 743 551	7 076,524	2 098,348	23 635 046	2 098 348	3,461 504	2 098 442	3 465 798
$20 000 under $25,000	9 141 213	204 811 083	37 620 174	2 020 609	14 170 501	7 081 919	29 567 669	9 140 158	123 509 540	9 140 158	18,266 445	9 141 213	18 278 344
$25,000 under $30 000	7 461 750	204 667 435	34 413 029	2 414 978	18 297 549	5 018 000	21 795 625	7 459 032	130 308 553	7 461,397	20 350 002	7 461 750	20 361 642
$30 000 under $40 000	11 895 769	413 203 096	61 168 323	5 947 470	50 862 193	5 922 895	27 150 145	11 895 037	274 212 100	11 895,037	44 110 509	11 895 769	44 138 991
$40 000 under $50 000	8 249 552	368 437 697	46 322 654	5 509 880	54 003 013	2 731 518	13 275 672	8 248 966	254 956 048	8 248 966	42 743 177	8 249 552	42 768 361
$50 000 under $75,000	8 897 085	532 315 125	52 021 948	7 360 772	89 699 462	1 532 590	7 627 662	8 895 457	383 057 897	8,895 457	74 303 253	8 897 085	74 340 917
$75 000 under $100 000	2 518 463	214 024 329	14 538 966	2 278 225	38 730 018	240 238	1 213 196	2 518 146	159 573 901	2 518 146	35 630 908	2 518 463	35 685 329
$100 000 under $200 000	1 776 104	235 793 141	10 315 226	1 681 008	41 925 826	94 799	473 641	1 774 587	183 184 673	1 774 587	47 647 960	1 776 104	47 837 393
$200 000 under $500,000	547 869	161 736 529	3 181 346	531 116	23 883 037	**19 907	**98 159	547 249	134 655 949	547 229	38 446 620	547 869	38 699 740
$500 000 under $1 000 000	114 682	77 808 122	655 340	112 310	9 624 310	**	**	114 562	67 552 225	114 564	19 040 602	114 682	19 162 981
$1 000 000 or more	61 972	169 333 126	337 004	61 144	18 317 909	**	**	61 896	150 744 777	61 896	42 254 821	61 972	42 422 678
Nontaxable returns, total	**22,572,948**	**93,104,691**	**86,356,657**	**1,532,436**	**21,292,965**	**20,057,099**	**75,185,304**	**3,192,794**	**8,010,247**	—	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Joint returns of husbands and wives												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All returns, total	**48,149,734**	**2,122,981,482**	**293,346,051**	**22,503,716**	**307,243,606**	**25,026,620**	**130,331,665**	**42,409,303**	**1,450,053,560**	**41,365,728**	**296,409,461**	**41,374,252**	**297,225,750**
No adjusted gross income	436 735	−30 279 223	2 427 253		-					**	**	2 982	79 830
$1 under $1,000	161 405	84 277	917 263	3 536	47 282	152 956	788 400					*11	*314
$1,000 under $2,000	191 624	291 436	1 071 340	*9 085	*78 605	177 557	927 114						
$2,000 under $3,000	243 593	603 141	1 370 409	20 043	233 138	214 977	1 121 544						
$3,000 under $4,000	298 007	1 053 010	1 668 862	24 598	185 161	265 569	1 398 442	*2 858	*4 772	**2 872	**2 571	*2 860	*1 938
$4,000 under $5,000	364 910	1 653 642	2 019 120	*11 095	*105 708	350 957	1 851 168	*2 858	*757				
$5,000 under $6,000	373 140	2 046 571	2 051 250	23 143	234 407	345 748	1 830 411	*4 249	*7 438			**8	**144
$6,000 under $7,000	541 270	3 524 997	3 186 569	25 984	253 637	510 302	2 674 608	*4 984	*10 161	**	**	**	**
$7,000 under $8,000	641 788	4 825 149	3 609 270	36 934	413 529	601 996	3 194 979	*4 982	*18 428	*9 954	*27 876	*9 954	*27 876
$8,000 under $9,000	666 507	5 657 701	3 567 215	24 267	192 861	625 095	3 366 778	40 382	106 521	30 136	18 723	30 141	18 810
$9,000 under $10,000	700 796	6 656 116	3 835 993	54 022	518 933	626 113	3 379 041	164 085	153 635	145 547	10 219	145 547	10 219
$10,000 under $11,000	742 882	7 793 209	4 048 509	51 856	478 813	684 201	3 663 695	392 694	421 226	365 039	61 945	365 146	62 368
$11,000 under $12,000	753 152	8 653 637	4 077 373	53 064	502 290	697 230	3 762 079	556 768	858 415	386 285	110 123	386 581	111 206
$12,000 under $13,000	764 554	9 564 264	4 081 661	92 980	855 402	669 449	3 567 853	587 790	1 530 367	453 739	196 441	454 039	199 116
$13,000 under $14,000	864 537	11 657 127	4 875 948	111 920	914 708	747 634	3 997 167	708 424	2 244 462	509 613	278 451	509 614	278 464
$14,000 under $15,000	811 837	11 758 941	4 628 507	135 841	1 280 826	669 684	3 528 040	689 719	2 698 286	520 122	306 110	520 207	308 879
$15,000 under $16,000	777 551	12 058 400	4 294 140	122 478	969 546	652 215	3 461 296	731 319	3 459 585	645 815	427 046	645 898	430 966
$16,000 under $17,000	860 786	14 217 808	5 115 782	131 291	1 241 517	724 513	3 797 037	786 269	4 388 199	741 657	564 186	741 958	564 234
$17,000 under $18,000	912 110	15 946 831	5 497 075	152 132	1 394 739	755 730	3 972 993	876 641	5 372 263	828 250	789 649	828 250	789 652
$18,000 under $19,000	902 165	16 665 025	5 274 003	145 320	1 334 412	752 596	3 945 098	870 873	6 246 831	855 167	885 109	855 253	886 372
$19,000 under $20,000	823 149	16 045 648	4 803 542	140 221	1 250 983	675 822	3 546 863	804 022	6 542 418	789 983	929 353	790 077	933 647
$20,000 under $25,000	4 202 488	94 475 212	25 164 822	974 007	8 581 875	3 206 942	16 591 222	4 133 146	44 525 911	4 081 688	6 456 966	4 082 740	6 466 576
$25,000 under $30,000	4 082 857	112 445 119	25 558 441	1 229 077	10 385 181	2 839 593	14 493 540	4 057 451	62 075 105	4 036 067	8 988 596	4 036 420	8 997 360
$30,000 under $40,000	8 023 023	280 540 049	51 228 409	3 872 164	35 405 178	4 138 659	21 095 995	7 998 767	173 310 335	7 980 168	25 355 835	7 980 597	25 373 886
$40,000 under $50,000	6 727 089	301 261 334	42 249 393	4 428 196	44 224 112	2 293 501	11 797 141	6 717 529	203 170 063	6 712 529	32 000 735	6 713 114	32 023 065
$50,000 under $75,000	7 866 536	471 776 591	49 326 073	6 506 095	79 787 341	1 356 717	7 014 187	7 862 706	335 747 018	7 860 915	63 308 867	7 861 382	63 340 108
$75,000 under $100,000	2 246 026	190 934 492	13 862 767	2 044 067	35 061 239	201 959	1 084 383	2 244 364	141 007 726	2 244 360	30 788 783	2 244 631	30 834 317
$100,000 under $200,000	1 552 223	205 805 367	9 736 407	1 478 464	37 298 541	73 758	397 392	1 550 538	158 486 872	1 550 052	40 672 354	1 550 466	40 810 519
$200,000 under $500,000	466 562	137 696 481	2 947 120	453 608	20 497 933	12 949	71 183	465 759	114 260 214	465 660	32 679 700	466 111	32 897 763
$500,000 under $1,000,000	98 242	66 608 184	613 947	96 564	8 287 769	1 676	9 235	98 059	57 775 653	98 055	16 305 109	98 148	16 399 987
$1,000,000 or more	52 193	141 060 897	312 588	51 664	15 227 941	523	2 784	52 068	125 630 898	52 057	35 244 815	52 116	35 378 132
Taxable returns, total	**41,374,252**	**2,090,547,723**	**249,932,806**	**21,666,969**	**295,136,358**	**19,592,128**	**101,950,580**	**41,350,349**	**1,447,241,222**	**41,365,728**	**296,409,461**	**41,374,252**	**297,225,750**
No adjusted gross income	2 982	−2 914 265	18 992							**	**	2 982	79 830
$1 under $1,000	*11	*6	*63	**13	**3 209	**	**					*11	*314
$1,000 under $2,000													
$2,000 under $3,000													
$3,000 under $4,000	**2 860	*11 381	*11 168	**	**	**2 859	**1 723			**2 872	**2 571	*2 860	*1 938
$4,000 under $5,000													
$5,000 under $6,000	**8	**15	**29	**	**	*5	*28					**8	**144
$6,000 under $7,000	**	**	**					**	**	**	**	**	**
$7,000 under $8,000	*9 954	*24 141	*41 512	*2 858	*19 480	*7 096	*40 624			*9 954	*27 876	*9 954	*27 876
$8,000 under $9,000	30 141	253 556	102 184	*5	*237	*21 563	*100 360	**27 563	**55 662	30 136	18 723	30 141	18 810
$9,000 under $10,000	145 547	1 378 953	563 296	*6 312	*33 013	134 253	689 314	145 547	92 429	145 547	10 219	145 547	10 219
$10,000 under $11,000	365 146	3 830 993	1 419 947	*12 115	*79 229	348 331	1 948 240	365 039	386 811	365 039	61 945	365 146	62 368
$11,000 under $12,000	386 581	4 453 170	1 533 410	*6 012	*41 799	380 569	2 162 423	386 285	720 278	386 285	110 123	386 581	111 206
$12,000 under $13,000	454 039	5 678 278	1 617 162	32 758	227 203	419 157	2 309 535	453 739	1 345 085	453 739	196 341	454 039	199 116
$13,000 under $14,000	509 614	6 871 383	2 073 320	60 180	417 782	444 452	2 470 656	509 613	1 900 339	509 613	278 451	509 614	278 464
$14,000 under $15,000	520 207	7 539 717	2 290 325	67 747	468 488	446 149	2 412 635	520 122	2 388 594	520 122	306 110	520 207	308 879
$15,000 under $16,000	645 898	10 011 639	3 152 989	87 028	628 728	556 012	2 980 282	645 815	3 297 914	645 815	427 046	645 898	430 966
$16,000 under $17,000	741 958	12 257 461	3 939 230	91 853	619 446	655 123	3 450 089	741 657	4 269 296	741 657	564 186	741 958	564 234
$17,000 under $18,000	828 250	14 490 086	4 296 532	118 327	916 763	705 674	3 722 715	828 250	5 260 128	828 250	789 649	828 250	789 652
$18,000 under $19,000	855 253	15 801 492	4 899 029	114 846	827 034	736 157	3 862 007	855 168	6 169 263	855 167	885 109	855 253	886 372
$19,000 under $20,000	790 077	15 405 641	4 525 586	121 173	974 796	661 797	3 475 117	789 983	6 442 532	789 983	929 353	790 077	933 647
$20,000 under $25,000	4 082 740	91 636 836	24 011 633	892 841	7 167 008	3 168 371	16 398 365	4 081 688	44 283 004	4 081 688	6 456 966	4 082 740	6 466 576
$25,000 under $30,000	4 036 420	111 020 556	25 156 182	1 194 055	9 715 708	2 828 178	14 435 994	4 036 067	61 839 124	4 036 067	8 988 596	4 036 420	8 997 360
$30,000 under $40,000	7 980 597	279 010 381	50 870 081	3 838 411	34 227 911	4 135 786	21 081 631	7 980 168	173 044 664	7 980 168	25 355 835	7 980 597	25 373 886
$40,000 under $50,000	6 713 114	300 798 582	42 184 006	4 414 150	43 949 114	2 293 220	11 795 989	6 712 529	203 004 789	6 712 529	32 000 735	6 713 114	32 023 065
$50,000 under $75,000	7 861 382	471 479 611	49 287 140	6 500 441	79 729 213	1 356 717	7 014 187	7 860 915	335 716 060	7 860 915	63 308 867	7 861 382	63 340 108
$75,000 under $100,000	2 244 631	190 869 529	13 857 796	2 042 673	34 890 812	201 959	1 084 383	2 244 360	141 007 507	2 244 360	30 788 783	2 244 631	30 834 317
$100,000 under $200,000	1 550 466	205 560 625	9 726 808	1 476 138	37 172 803	73 528	396 240	1 550 052	158 433 637	1 550 052	40 672 354	1 550 466	40 810 519
$200,000 under $500,000	466 111	137 563 824	2 949 175	453 182	20 323 461	**15 119	**83 063	465 680	114 246 423	465 660	32 679 700	466 111	32 897 763
$500,000 under $1,000,000	98 148	66 547 780	613 476	96 471	8 177 052	**	**	98 053	57 772 465	98 055	16 305 109	98 148	16 399 987
$1,000,000 or more	52 116	140 814 221	312 045	51 592	14 974 419	**	**	52 057	125 585 640	52 057	35 244 815	52 116	35 378 132
Nontaxable returns, total	**6,775,482**	**32,433,758**	**43,413,245**	**836,747**	**12,107,248**	**5,434,493**	**28,381,085**	**1,058,955**	**2,812,337**	—	—	—	—

Footnotes at end of table.

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status —Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married people filing separately, heads of households, and surviving spouses												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns, total	**13,147,780**	**240,381,576**	**59,603,609**	**2,486,653**	**23,099,068**	**10,485,203**	**43,939,334**	**9,402,623**	**131,760,791**	**7,433,240**	**22,049,389**	**7,433,600**	**22,099,224**
No adjusted gross income	51,765	-2 649 941	165 602	—	—	—	—	—	—	**	**	181	4 402
$1 under $1,000	184 939	105 308	809 314	—	—	176,366	731,103	—	—	—	—	-	-
$1,000 under $2 000	349 869	531,089	1 535 316	**4 250	**38,362	342 762	1 418 458	*2 858	*3,352	**	**	*2 858	*497
$2 000 under $3,000	366,208	914 932	1 626 467	**	**	360 492	1 473,323	*2 858	*589	—			
$3,000 under $4 000	379 911	1 333 817	1 734 519	*9,964	*41 445	367,089	1 522 392	*5,715	*10,825	**104 118	**26 314	*2,858	*1 532
$4 000 under $5,000	397,770	1,802 873	1,879,310	*11 335	*161 963	380 720	1 567,524	*19,270	*18,890	**	**	*10 697	*1 572
$5 000 under $6,000	491 718	2 736,838	2,180,322	*4 249	*29 042	485 344	2,009 499	47,038	56,012	**	**	**87 704	**22 686
$6,000 under $7,000	505 140	3 295,273	2 276 268	*10 698	*38 955	494 442	2,092 909	64 917	109 418	**	**	**	**
$7,000 under $8 000	558,023	4 163 050	2 637,033	*13 555	*61 064	541 611	2 266 621	81,762	163 980	61 758	18,382	61 758	18,382
$8,000 under $9 000	478 687	4 082 268	2 233 540	*19 928	*121 645	453 777	1 897 549	238 140	332 817	73 940	30 201	73 940	30,201
$9,000 under $10 000	549 905	5 215 937	2 657 539	*12 824	*82 726	534 224	2 267 546	348 479	591 139	69 242	30 003	69 242	30 003
$10,000 under $11 000	514 133	5,397 138	2 287 417	*9 221	*109 098	497,073	2 110,128	439 188	1 057 638	94 226	48 880	94 226	48 880
$11 000 under $12 000	514 882	5 913 916	2 422 451	33,558	297,879	469 894	1,974 324	443 442	1 381,926	117 087	76 795	117 087	76,795
$12 000 under $13 000	543 096	6,784,913	2 466,526	42 507	269 970	492,016	2 077,106	520 968	2 014,221	221 803	108 443	221 803	108 443
$13 000 under $14 000	569 018	7 685,212	2 605 397	34 219	201 782	532 674	2,208 887	552 603	2 700 638	324 842	163 304	324 842	163,304
$14 000 under $15 000	459 306	6 662 516	2 116 831	57 232	395,805	399 950	1 679 836	446 485	2,536 569	325 772	218,101	325 772	218 101
$15 000 under $16 000	519 102	8,047 685	2 568,066	54 953	305 067	447,737	1,881 897	508 405	3,297,020	432,790	311 225	432,790	311,225
$16 000 under $17,000	403 463	6,666 880	1,902 232	58 543	374 511	342,795	1 434 106	386 317	3 016,363	352 026	334 750	352 026	334 750
$17 000 under $18 000	426 366	7 477 931	2,041 689	57 810	367 847	362,840	1 551,790	421,384	3 519,074	401 381	412 929	401 381	412 929
$18 000 under $19 000	389 563	7 210,230	1 686,555	47 847	273 598	338 858	1 374,113	389 562	3 874 409	383,846	526 439	383 846	526,439
$19 000 under $20,000	360,474	7 033,516	1 539 796	75 844	470,445	278 915	1 155,003	358 350	3,868,670	352 634	526 218	352 634	526 218
$20,000 under $25 000	1 363,724	30,499,914	6,166,538	340,425	2,213,520	1,017 584	4,331 429	1,359,666	17,795,870	1 359 666	2 449 243	1 359,668	2 451 519
$25 000 under $30 000	926 058	25 389 696	4,200,845	353 116	2 678,211	566,832	2 360,076	923,691	16,227,126	918,962	2 419 250	918,963	2,419 428
$30,000 under $40,000	1 062 848	36,306,313	4 459,816	600,607	5,031,049	456,131	1,934 591	1,060,476	24,923,613	1 058,112	3 981 861	1 058,117	3,983 687
$40,000 under $50,000	415 608	18,256 643	1 821 779	317,219	3,356 768	95,627	405 087	415,608	12,673,009	415 608	2 330 125	415 608	2,331 495
$50 000 under $75,000	236,014	13,626 948	1 039 609	197,367	2,324 850	38,647	167,952	235,444	10,108,474	**342 469	**4 557 866	**342 607	**4,572 963
$75,000 under $100 000	57,301	4,867 155	235,076	51,914	938,311	*5,387	*24 600	57,279	3,669,527	**	**	**	**
$100,000 under $200,000	49 843	6,642 273	211 441	44 916	1,016,435	4 927	19,779	49,746	5,403 312	**	**	**	**
$200 000 under $500,000	17 543	5,176,574	73 916	17 171	714 869	371	1,283	17,502	4,389,580	17 491	1,242 868	17 505	1,249,134
$500 000 under $1 000,000	3 197	2,165 428	13,442	3 149	332,598	*44	*206	3,177	1,827,644	3 173	504 823	3,186	514,801
$1 000,000 or more	2 307	7,039,250	8 958	2,232	851,254	75	217	2,295	6,189,089	2,294	1,731,373	2,300	1 739,839
Taxable returns, total	**7,433,600**	**199,437,535**	**31,154,933**	**2,289,298**	**20,991,532**	**5,056,378**	**20,625,565**	**7,433,238**	**126,904,219**	**7,433,240**	**22,049,389**	**7,433,600**	**22,099,224**
No adjusted gross income	181	-174 440	725	—	—	—	—	—	—	**	**	181	4 402
$1 under $1 000	—	—	—	—	—	—	—	—	—	—	—	—	—
$1,000 under $2,000	*2,858	*4,781	*( )	—	—	*2 858	*1,429	*2,858	*3 352	**	**	*2,858	*497
$2 000 under $3,000	—	—	—	—	—	—	—	—	—	—	—	—	—
$3 000 under $4 000	*2,858	*10,607	*( )	*2,858	*457	—	—	*2,858	*10,150	**104 118	**26,314	*2 858	*1,532
$4,000 under $5,000	*10,697	*52 453	*15,287	—	—	*10 697	*26,743	*10,697	*10,422	**	**	*10,697	*1,572
$5 000 under $6,000	**87 704	**533,122	**165,451	—	—	**81 988	**209,673	**	**	**	**	**87,704	**22,686
$6,000 under $7,000	**	**	**	**	**	**	**	**	**	**	**	**	**
$7,000 under $8 000	61,758	461,595	142 183	**13 556	**37,321	53 919	155,940	**	**	61,758	18,382	61 758	18,382
$8,000 under $9,000	73 940	632,016	194 544	*4 982	*22,086	66,834	208,830	**223,401	**490,706	73,940	30,201	73 940	30,201
$9 000 under $10,000	69 242	655,419	204,668	*2 125	*15,751	67 117	233,661	69,242	205,238	69,242	30,003	69 242	30,003
$10,000 under $11 000	94 226	997 283	289 221	—	—	86,386	299,850	94,226	408 213	94,226	48,880	94 226	48,880
$11 000 under $12,000	117 087	1,350 565	363,110	*2,858	*12 456	102,799	365,565	117,087	608,006	117,087	76,795	117,087	76,795
$12,000 under $13,000	221 803	2,779 870	748,413	*21,845	*112 887	191,384	754 328	221,803	1 163,099	221,803	108,443	221 803	108,443
$13 000 under $14,000	324 842	4,399 646	1 228 440	*21 396	*97,439	301,322	1,201,055	324 842	1,872,712	324,842	163,304	324 842	163,304
$14 000 under $15,000	325,772	4 731 472	1,320 212	38,695	199 820	284 952	1 178,463	325,772	2 034,915	325,772	218,101	325 772	218,101
$15,000 under $16,000	432,790	6,710,934	1,878 691	47,846	253,153	368 532	1,538,711	432,790	3 039,522	432,790	311,225	432,790	311 225
$16 000 under $17 000	352,026	5,822,416	1 501 025	49 971	252,414	299,931	1 250,934	352 026	2 823,312	352,026	334 750	352,026	334 750
$17,000 under $18 000	401,381	7,038 854	1 864,804	49,971	276,781	345 695	1,476,350	401,381	3,419,776	401,381	412 929	401 381	412 929
$18,000 under $19 000	383,846	7,106 309	1 641,975	47,846	273 578	333,143	1,348,966	383,846	3,840,232	383 846	526 439	383,846	526 439
$19,000 under $20,000	352,634	6,880 139	1 486 932	73 719	437 640	273,200	1 129 856	352,634	3,825,712	352,634	526 218	352,634	526,218
$20,000 under $25,000	1 359,668	30,413,709	6 130 768	336,369	2 155,651	1,017,584	4,331 429	1,359,666	17,795 870	1 359 666	2,449 243	1 359,668	2,451,519
$25 000 under $30 000	918 963	25 195,945	4,154 735	346,021	2,514 898	566,832	2,360 076	918,962	16,190 336	918,962	2 419 250	918,963	2 419 428
$30 000 under $40 000	1,058 117	36 138,085	4 422 921	595,876	4,882 448	456 131	1,934 591	1 058,112	24,908 503	1,058 112	3 981 861	1 058,117	3 983 687
$40 000 under $50 000	415 608	18 256 643	1 821 779	317 219	3 356 768	95 627	405 087	415 608	12 673 009	415,608	2 330 125	415,608	2 331 495
$50 000 under $75 000	**342 607	**25,100 548	**1 482 982	**293,646	**4 237 802	**48 961	**212 331	**342 469	**19 181 313	**342 469	**4 557 866	**342 607	**4 572 963
$75,000 under $100 000	**	**	**	**	**	**	**	**	**	**	**	**	**
$100 000 under $200,000	**	**	**	**	**	**	**	**	**	**	**	**	**
$200 000 under $500 000	17 505	5 165 711	73 725	17,135	704 270	**487	**1 698	17 491	4 387 370	17 491	1 242 868	17 505	1 249 134
$500,000 under $1,000 000	3 186	2 156 802	13 403	3 140	323 765	**	**	**5 467	**8 012 452	3 173	504 823	3 186	514 801
$1 000 000 or more	2 300	7 017,047	8 937	2 225	824 146	**	**	**	**	2 294	1 731 373	2 300	1,739 839
Nontaxable returns, total	**5,714,180**	**40,944,041**	**28,448,676**	**197,355**	**2,107,536**	**5,428,825**	**23,313,769**	**1,969,385**	**4,856,572**	—	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status —Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of single persons												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
All returns, total	**48,410,766**	**719,656,726**	**77,821,517**	**6,912,616**	**64,873,782**	**40,960,004**	**115,293,224**	**38,469,803**	**488,152,630**	**38,322,002**	**93,383,174**	**38,327,480**	**93,544,935**
No adjusted gross income	346 920	−8 207 125	613 451			–		–				2 789	24 605
$1 under $1 000	2 780 505	1 669 737	1 553 471	*7 592	*75 787	2 760,091	3 488 965	908 395	171 676	904 844	30 726	904 844	30 726
$1 000 under $2 000	3 325,570	4 961 011	2 364 978	**32 742	**200 486	3 302 048	6 156 258	1 097 169	517 657	1 081 489	88 720	1 081 491	88,834
$2 000 under $3 000	2 979 570	7 403 392	2 541 666	**	**	2 941 848	7 524 884	899 916	522 679	884 236	83 777	884 236	83 777
$3 000 under $4 000	2 669 873	9 318 354	2 656 653	37 722	172 492	2 618 597	7 655 353	1 341 718	988 314	1 336 003	153 798	1 336 003	153 798
$4 000 under $5 000	2 356 136	10 559 668	3 060 125	26 282	215 956	2 311 317	6 943 646	936 053	1 446 109	938 911	237 223	938 911	237 223
$5 000 under $6 000	2 218 195	12,228 308	3 070 930	75 863	581 793	2 130 976	6 508 247	1 962 900	2 475 181	1 934 581	369 052	1 934 581	369 053
$6 000 under $7 000	2 088 167	13 565 456	3 410 053	72 866	544 771	1 998 888	6 178 203	2 007 461	3 751 613	1 976 310	552 423	1 976 310	552 423
$7 000 under $8 000	1 939 736	14 497 251	3 362 719	126 914	933 919	1 801 391	5 565 501	1 860 593	4 978 205	1 843 447	743 381	1 843 447	743 381
$8 000 under $9 000	1 906 553	16 207 086	3 556 492	100 307	839 603	1 799 140	5 627 290	1 847 362	6 509 223	1 836 664	964 673	1 836 664	964 673
$9 000 under $10 000	1 741 295	16 538 018	3 247 587	95 986	789 928	1 637 469	5 125 162	1 713 731	7 640 080	1 696 586	1 126 763	1 696 586	1 126 763
$10 000 under $11 000	1 600 920	16 803 704	3 015 619	104 909	1 040,028	1 493 153	4 632 320	1 563 746	8 535 912	1 563 746	1 270 704	1 563 746	1 270 704
$11 000 under $12 000	1 436,207	16 526 290	2 834 950	108 274	728 095	1 325 075	4 160 205	1 412 698	8 926 460	1 412 698	1 330 770	1 412 698	1 331,099
$12 000 under $13 000	1 417 888	17 710 406	2 805 665	97 460	607 936	1 317 571	4 088 481	1 407 191	10 243 462	1 404 333	1 524 811	1 404 333	1 524 811
$13 000 under $14 000	1 368 541	18 458 878	2 706 184	104 769	716 411	1 259 523	3 888 057	1 360 701	11 245 991	1 360 701	1 687 183	1 360 701	1 687 183
$14 000 under $15 000	1 355 092	19 602 166	2 674 830	145 673	949 638	1 204 436	3 701 974	1 343 661	12 394 505	1 343 661	1 855 459	1 343 661	1 855,459
$15 000 under $16 000	1 301 655	20 166 890	2 557 002	133 062	1 101 433	1 160 020	3 560 644	1 284 489	13 124 221	1 283 825	1 968 180	1 283 825	1 968 180
$16 000 under $17 000	1 102 991	18 217 777	2 187 904	140 844	780 677	957 165	2 956 725	1 100 050	12 322 047	1 100 050	1 844 420	1 100 050	1 844 420
$17 000 under $18 000	1 118 317	19 588 257	2 266 028	149 076	905 633	969 241	2 973 895	1 113 314	13 477 182	1 113 314	2 017 017	1 113 334	2 017 064
$18 000 under $19 000	904 444	16 725 208	1 816 774	122 836	872 894	776,626	2 405 903	892 759	11 702 977	892 759	1 753 031	892 759	1 753 031
$19 000 under $20 000	958 096	18 690 284	1 976 584	149 543	898 347	808 553	2 471,471	955 731	13 366 802	955 731	2 005 933	955,731	2 005 933
$20 000 under $25 000	3 712 550	82 862 199	7 506 996	805 154	5 237 832	2 895 966	8 837 878	3 698 805	61 430 685	3 698 804	9 360 236	3 698 804	9 360,249
$25 000 under $30 000	2 508 824	68 466 767	5 106 152	877 358	6 147 551	1 622 991	4 999 555	2 504 095	52 279 641	2 506 367	8 942 155	2 506 367	8 944 853
$30 000 under $40 000	2 870 729	98 464 280	5 901 085	1 529 105	12 167 239	1 334 530	4 147 240	2 860 973	76 376 415	2 856 758	14 772 813	2 857 055	14 781 418
$40 000 under $50 000	1 121 817	49 597 699	2 313 792	779 196	6,948 737	342 620	1,074 596	1 120 829	39 278 251	1 120 829	8 412 318	1 120 830	8 413 801
$50 000 under $75 000	801 536	47 311 980	1 700 868	664 310	7,953 762	137 225	445 523	799 098	37 233 363	**1 190 494	**18 254 253	**1 192 565	**18 305 731
$75 000 under $100 000	217 149	18 403 181	452 045	184 257	2 957 745	32 892	104 213	216 507	14 896 867	**	**	**	**
$100 000 under $200 000	176 192	23 626 522	377 579	159 552	3 904 179	16 345	57 622	174 881	19 362,045	**	**	**	**
$200 000 under $500 000	64 367	19 041 602	138 677	60 909	2 898 874	3 455	10 738	64 091	16 025 016	64 078	4 524 052	64 253	4 552 843
$500 000 under $1 000 000	13 370	9 120 186	28 606	12 720	1 144 963	628	1 990	13 339	7 956 649	13 336	2 230 670	13 349	2 248 194
$1 000 000 or more	7 565	21 531 294	16 050	7 336	2 557 073	223	686	7 547	18 973 402	7 545	5 278 633	7 556	5 304 706
Taxable returns, total	**38,327,480**	**699,929,834**	**63,326,781**	**6,414,282**	**57,795,601**	**31,766,223**	**91,802,775**	**38,305,349**	**487,811,292**	**38,322,002**	**93,383,174**	**38,327,480**	**93,544,935**
No adjusted gross income	2 789	−469 025	5 308			–		–				2 789	24 605
$1 under $1 000	904 844	680 684	16 717		–	**4 190 159	**6 963 005	896 271	171 576	904 844	30 726	904 844	30 726
$1 000 under $2 000	1 081 491	1 586 530		**	**	**	**	1 081 489	514 165	1 081 489	88 720	1 081 491	88 834
$2 000 under $3 000	884 236	2 201 835	5 526		–	**	**	881 379	498 747	884 236	83 777	884 236	83 777
$3 000 under $4 000	1 336 003	4 647 478	8 382	**8 575	**14 808	**	**	1 336 003	976 321	1 336 003	153 798	1 336 003	153 798
$4 000 under $5 000	938 911	4 226 595	163 477		–	920 374	2 619 338	936 053	1 446 109	938 911	237 223	938 911	237 223
$5 000 under $6 000	1 934 581	10 672 808	2 462 919	*13 062	*46 347	1 910 164	5 701 988	1 934 581	2 461 554	1 934 581	369 052	1 934 581	369 053
$6 000 under $7 000	1 976 310	12 847 641	3 075 338	**	**	1 929 197	5 943 622	1 976 310	3 729 063	1 976 310	552 423	1 976 310	552 423
$7 000 under $8 000	1 843 447	13 781 100	3 141 522	**87 045	**323 552	1 775 673	5 475 486	1 843 447	4 947 243	1 843 447	743 381	1 843 447	743 381
$8 000 under $9 000	1 836 664	15 617 562	3 349 172	52 546	235 784	1 777 012	5 556 621	1 836 664	6 475 357	1 836 664	964 673	1 836 664	964 673
$9 000 under $10 000	1 696 586	16 119 108	3 143 086	65 565	323 470	1 623 181	5 078 011	1 696 586	7 574 541	1 696 586	1 126 763	1 696 586	1 126 763
$10 000 under $11 000	1 563 746	16 418 554	2 926 557	70 593	332 338	1 490 296	4 623 747	1 563 746	8 535 912	1 563 746	1 270 704	1 563 746	1 270 704
$11 000 under $12 000	1 412 698	16 256 641	2 745 394	89 748	438 551	1 320 093	4 146 236	1 412 698	8 926 460	1 412 698	1 330 770	1 412 698	1 331 099
$12 000 under $13 000	1 404 333	17 540 525	2 745 799	89 620	506 840	1 311 855	4 071 336	1 404 333	10 234 174	1 404 333	1 524 811	1 404 333	1 524 811
$13 000 under $14 000	1 360 701	18 353 624	2 690,296	96 929	529 279	1 259 523	3 888 057	1 360 701	11 245 991	1 360 701	1 687 183	1 360 701	1 687 183
$14 000 under $15 000	1 343 661	19 433 533	2 652 541	134 243	689 782	1 204 436	3 701 974	1 343 661	12 394 505	1 343 661	1 855 459	1 343 661	1 855 459
$15 000 under $16 000	1 283 825	19 889 605	2 522 196	115 896	691 641	1 159 356	3 558 653	1 283 825	13 117 114	1 283 825	1 968 180	1 283 825	1 968 180
$16 000 under $17 000	1 100 050	18 170 353	2 182 170	137 903	716 497	957 165	2 956 725	1 100 050	12 322 047	1 100 050	1 844 420	1 100 050	1 844 420
$17 000 under $18 000	1 113 334	19 500 665	2 252 171	144 093	797 851	969 241	2 973 895	1 113 314	13 477 182	1 113 314	2 017 017	1 113,334	2 017 064
$18 000 under $19 000	892 759	16 510 242	1 791 401	111 151	609 962	776 626	2 405 903	892 759	11 702 977	892 759	1 753 031	892,759	1 753 031
$19 000 under $20 000	955 731	18 643 828	1 971 971	147 177	853 026	808 553	2 471 471	955 731	13 366 802	955 731	2 005 933	955 731	2 005 933
$20 000 under $25 000	3 698 804	82 560 539	7 477 773	791 409	4 847 842	2 895,965	8 837 874	3 698 804	61 430 666	3 698 804	9 360 236	3 698 804	9 360 249
$25 000 under $30 000	2 506 367	68 400 933	5 101 362	874 902	6 066 942	1 622 991	4 999 555	2 504 003	52 279 094	2 506 367	8 942 155	2 506,367	8 944 853
$30 000 under $40 000	2 857 055	97 994 830	5 874 422	1 518 983	11 751 835	1 330 978	4 133 922	2 856 758	76 268 933	2 856 758	14 772 813	2 857 055	14 781 418
$40 000 under $50 000	1 120 830	49 552 472	2 311 869	778 210	6 896 332	342 620	1 074 596	1 120 829	39 278 251	1 120 829	8 412 318	1 120 830	8 413 801
$50 000 under $75 000	**1 192 565	**89 176 281	**2 526 322	**1 005 807	**14 624 676	**186 462	**607 358	**1 190 394	**71 487 955	**1 190 394	**18 254 253	**1 192 565	**18 305 731
$75 000 under $100 000	**	**	**	**	**	**	**	**	**	**	**	**	**
$100 000 under $200 000	**	**	**	**	**	**	**	**	**	**	**	**	**
$200 000 under $500 000	64 253	19 006 995	138 446	60 799	2 855 407	**4 301	**13 400	64 078	16 022 157	64 078	4 524 052	64 253	4 552 843
$500 000 under $1 000 000	13 349	9 105 540	28 561	12 699	1 123 494	**	**	**20 881	**26 926 396	13 336	2 230 670	13 349	2 248 194
$1 000 000 or more	7 556	21 501 858	16 032	7 328	2 519 345	**	**	**	**	7 545	5 278 633	7 556	5 304 706
Nontaxable returns, total	**10,083,286**	**19,726,891**	**14,494,736**	**498,334**	**7,078,181**	**9,193,782**	**23,490,450**	**164,454**	**341,338**	—	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.
** Data combined to avoid disclosure of information for specific taxpayers.
( ) Less than $500.
NOTE: Detail may not add to total because of rounding.

Table 1.3—All Returns: Sources of Income and Adjustments, Deductions and Tax Items, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of husbands and wives		Separate returns of husbands and wives		Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	109,708,280	3,083,019,783	48,149,734	2,122,981,482	1,750,047	38,680,727	11,303,325	199,482,947	94,408	2,217,902	48,410,766	719,656,726
Salaries and wages	93,257,370	2,337,984,129	41,117,530	1,592,048,787	1,542,869	29,900,422	10,751,640	175,891,463	77,918	1,400,475	39,767,414	538,742,982
Taxable interest received	69,421,338	186,981,636	37,166,719	116,906,123	836,854	1,898,533	4,060,917	5,021,340	71,622	331,504	27,285,225	62,824,136
Tax-exempt interest	3,514,401	32,811,274	2,222,395	21,611,988	39,139	655,883	113,503	556,762	6,080	15,366	1,133,283	9,971,276
Dividends	22,903,155	77,329,507	13,889,165	49,564,276	233,779	1,291,342	1,026,111	1,934,479	19,416	96,732	7,734,684	24,442,677
State income tax refunds	19,581,464	11,234,875	14,003,133	8,410,182	281,134	135,554	1,491,622	624,506	27,330	27,203	3,778,244	2,037,430
Alimony received	465,437	3,035,504	59,251	215,232	†	†	180,551	1,403,993	†	†	215,185	1,382,383
Business or profession												
Net income	10,491,980	−145,517,755	7,543,914	−114,704,350	140,073	−2,263,945	507,176	−5,169,704	16,270	−156,273	2,284,546	−23,223,483
Net loss	3,079,460	−19,194,505	2,267,242	−14,712,219	39,011	−312,923	146,820	−758,347	*2,056	*−46,049	624,331	−3,364,966
Sales of capital assets												
Net gain in AGI	9,661,197	−161,871,807	6,169,079	−120,975,595	106,722	−3,229,750	373,845	−4,562,780	9,017	−59,607	3,002,533	−33,044,075
Net loss in AGI	4,624,992	−8,103,597	2,922,631	−5,263,473	47,609	−57,691	176,962	−300,574	1,897	−3,896	1,475,892	−2,477,964
Sales of property other than capital assets	1,755,950	1,860,313	1,298,415	1,889,394	9,678	−54,739	55,759	59,781	828	−11,223	391,271	−22,900
Taxable IRA distributions	2,645,142	11,118,008	1,900,635	8,512,564	28,924	107,087	108,470	433,128	*2,370	*4,752	604,744	2,060,478
Pensions and annuities in AGI	16,481,248	138,785,886	10,601,991	100,055,333	179,993	1,327,038	737,778	4,280,406	26,315	221,751	4,935,171	32,901,358
Rent and royalty												
Net income	5,080,520	28,772,669	3,599,066	22,181,325	50,028	251,018	182,887	764,005	5,687	4,857	1,242,852	5,571,463
Net loss	5,647,505	32,626,182	4,091,064	24,932,281	50,833	281,211	265,222	1,115,897	6,164	11,834	1,234,222	6,284,959
Farm rental income less loss	637,034	2,574,704	366,715	1,561,726	5,253	23,058	13,964	11,768	*2,365	*343	248,737	977,808
Partnership and S Corporation net income less loss	5,899,223	57,080,226	4,298,298	48,427,560	54,663	548,790	159,173	1,416,965	8,043	14,236	1,379,047	6,672,675
Estate and trust net income less loss	596,553	4,094,259	303,377	1,712,867	9,663	184,943	22,238	191,183	*2,370	*7,011	258,905	1,998,255
Farm net income less loss	2,367,528	−1,176,537	1,940,398	−594,538	11,328	−100,748	42,013	−12,216	*3,792	*−50,041	369,997	−418,995
Unemployment compensation in AGI	6,974,262	11,626,600	4,127,612	7,179,092	118,713	171,936	948,702	1,358,209	*2,365	*539	1,776,870	2,916,824
Social Security benefits in AGI	4,024,093	14,361,470	2,600,041	10,277,156	63,213	181,575	72,129	165,137	10,706	23,453	1,278,005	3,714,149
Other income less loss	6,550,768	−14,821,877	4,416,026	−10,897,994	88,465	−1,359,766	352,191	134,569	13,403	24,191	1,680,684	−2,722,877
Total statutory adjustments	10,747,370	28,201,888	7,116,344	20,314,348	113,385	404,567	616,811	1,422,489	21,943	32,004	2,878,887	6,028,480
Employee business expenses	1,394,080	4,246,522	1,008,276	3,213,841	31,653	82,258	79,256	178,599	*3,645	*2,317	271,250	769,507
Primary IRA payments	5,825,108	8,580,947	3,548,973	5,260,814	48,447	77,230	377,561	494,819	*9,987	*19,973	1,840,139	2,728,111
Secondary IRA payments	2,615,832	3,300,807	2,615,832	3,300,807	—	—	—	—	—	—	—	—
Payments to a Keogh plan	814,586	6,626,908	627,484	5,455,256	5,420	51,917	35,236	221,667	*2,132	*6,493	144,315	891,575
Alimony paid	587,022	4,183,246	288,701	2,078,963	22,858	186,241	50,000	480,347	—	—	225,462	1,437,696
Total itemized deductions	31,902,985	395,216,456	22,503,716	307,243,606	582,615	5,304,980	1,881,582	17,532,213	22,456	261,875	6,912,616	64,873,782
Medical and dental expense deduction	4,810,032	17,993,829	3,088,554	8,819,673	103,552	259,109	321,088	706,564	*7,138	*9,814	1,289,700	8,198,669
Taxes paid deduction	31,327,781	120,628,182	22,314,493	95,196,347	563,455	1,611,886	1,850,613	4,941,438	22,456	72,404	6,576,765	18,806,106
Interest paid deduction	29,631,009	179,737,720	21,611,240	144,886,239	517,682	2,286,576	1,820,771	9,019,248	21,791	127,580	5,659,525	23,418,076
Contributions deduction	29,110,570	50,949,273	21,024,170	40,056,349	476,940	722,192	1,686,411	1,765,189	20,091	30,408	5,902,959	8,375,136
Casualty or theft loss	133,499	1,235,777	70,158	1,025,116	—	—	21,989	52,316	—	—	41,352	158,344
Moving expense deduction	912,394	3,633,937	663,839	2,837,704	9,992	56,046	29,550	99,144	*1,198	*3,143	207,815	637,901
Total miscellaneous deductions	8,056,903	21,037,739	5,297,358	14,422,178	148,945	369,171	537,531	948,314	*3,924	*18,527	2,069,146	5,279,549
Basic standard deduction	76,471,827	280,341,390	25,026,620	124,767,949	1,112,747	2,751,983	9,303,399	40,620,774	69,057	340,017	40,960,004	111,860,666
Additional standard deduction	10,292,748	9,222,833	5,504,340	5,563,716	74,120	44,475	234,206	182,084	—	—	4,480,081	3,432,558
Taxable income	90,281,729	2,069,966,980	42,409,303	1,450,053,560	1,450,838	28,156,549	7,883,793	102,287,713	67,992	1,316,530	38,469,803	488,152,630
Total tax credits	14,099,023	7,047,140	8,798,581	4,592,061	84,340	123,856	4,657,529	1,988,657	18,869	6,544	539,704	336,023
Child care credit	9,023,458	3,812,849	6,426,509	2,601,357	62,099	29,856	2,462,362	1,149,615	*5,255	*1,670	67,234	30,351
Credit for the elderly and disabled	356,973	68,904	96,144	20,195	*2,858	*1,109	*20,003	*4,226	—	—	237,968	43,374
Foreign tax credit	559,217	1,087,203	372,802	808,032	13,568	79,821	9,757	35,783	*24	*188	163,066	163,378
Earned income credit used to offset income tax before credits	4,782,148	1,102,392	1,849,647	323,287	—	—	2,918,946	774,479	*13,555	*4,625	—	—
Minimum tax credit	26,393	203,264	21,007	168,579	235	3,849	1,063	10,306	—	—	4,088	20,530
General business credit	364,169	718,209	301,828	635,620	4,970	9,022	5,551	8,725	*15	*58	51,806	64,784
Income tax after credits	87,120,969	411,842,025	41,365,728	296,409,461	1,433,032	5,990,318	5,940,056	15,828,527	60,152	230,544	38,322,002	93,383,174
Alternative minimum tax	113,562	1,027,884	83,228	816,288	5,237	30,532	3,425	19,131	*6	*172	21,665	161,760
Total income tax	87,135,332	412,869,909	41,374,252	297,225,750	1,433,160	6,020,849	5,940,286	15,847,658	60,153	230,717	38,327,480	93,544,935
Total tax liability	89,001,467	430,733,154	42,543,327	311,153,737	1,470,220	6,261,339	6,051,474	16,397,410	64,403	245,169	38,872,044	96,675,498
Total taxpayments	100,691,733	444,343,680	45,358,060	310,878,509	1,576,760	5,826,329	10,650,431	24,235,499	78,677	254,551	43,027,806	103,148,792
Income tax withheld	93,542,541	342,220,135	41,813,719	234,932,445	1,503,192	4,162,235	10,436,493	21,919,702	78,630	204,548	39,710,506	81,001,206
Estimated tax payments	12,443,029	80,328,108	7,372,911	58,553,842	125,538	1,169,705	382,248	1,823,620	10,179	45,333	4,552,153	18,735,607
Overpayment refunded	76,414,800	68,990,260	30,937,295	39,059,751	1,021,325	615,104	10,334,254	12,044,246	55,563	64,283	34,066,362	17,206,876
Tax due at time of filing	27,185,438	61,507,880	14,451,060	45,519,351	620,453	1,235,941	778,890	1,698,059	27,886	50,940	11,307,149	13,003,588

* Estimate should be used with caution because of the small number of sample returns on which it is based.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE. Detail may not add to total because of rounding.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest received		Tax exempt interest		Dividends		State income tax refunds	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**109,708,280**	**3,083,019,783**	**93,257,370**	**2,337,984,129**	**69,421,338**	**186,981,636**	**3,514,401**	**32,811,274**	**22,903,155**	**77,329,507**	**19,581,464**	**11,234,875**
No adjusted gross income	835,420	−41,136,289	324,197	6,275,417	525,441	4,156,364	33,298	743,686	193,270	740,304	77,182	135,374
$1 under $1,000	3,136,849	1,859,321	2,066,308	1,879,506	1,347,753	544,179	30,708	11,018	323,842	101,939	15,631	7,323
$1,000 under $2,000	3,867,063	5,783,536	3,123,511	4,713,614	1,521,780	896,547	120,003	113,479	349,112	202,359	34,248	3,549
$2,000 under $3,000	3,589,370	8,921,465	3,087,436	7,446,525	1,447,585	930,524	12,952	14,308	268,130	161,334	44,200	18,376
$3,000 under $4,000	3,347,791	11,705,181	2,846,648	9,580,334	1,438,066	1,125,969	15,681	87,781	295,474	337,020	34,101	13,694
$4,000 under $5,000	3,118,816	14,016,183	2,572,575	10,942,044	1,276,583	1,415,307	11,361	129,431	269,905	226,899	39,233	16,396
$5,000 under $6,000	3,083,053	17,011,716	2,426,624	12,506,929	1,346,563	1,691,889	21,395	56,761	289,175	407,957	52,599	21,560
$6,000 under $7,000	3,134,576	20,385,726	2,505,893	15,473,636	1,452,166	2,240,770	12,431	22,098	329,599	472,147	52,993	9,387
$7,000 under $8,000	3,139,547	23,485,451	2,429,766	17,050,570	1,374,413	2,662,140	26,367	61,342	355,718	466,647	108,078	28,567
$8,000 under $9,000	3,051,747	25,947,056	2,340,636	18,356,335	1,466,790	2,944,642	35,250	73,847	369,308	527,827	71,591	21,909
$9,000 under $10,000	2,991,996	28,410,071	2,328,605	20,634,793	1,467,311	2,953,025	28,086	181,339	355,013	697,664	81,125	27,247
$10,000 under $11,000	2,857,935	29,994,051	2,278,990	22,162,882	1,392,108	2,733,671	40,044	177,228	365,556	629,459	76,459	55,794
$11,000 under $12,000	2,704,240	31,093,843	2,090,826	22,129,857	1,372,614	3,072,582	64,259	281,940	319,599	610,531	114,850	24,946
$12,000 under $13,000	2,725,537	34,059,583	2,220,727	25,485,287	1,381,699	2,916,125	32,292	119,978	329,525	685,600	126,473	46,079
$13,000 under $14,000	2,802,095	37,801,217	2,277,696	28,235,557	1,470,990	3,197,697	42,790	411,781	392,722	690,026	147,643	36,254
$14,000 under $15,000	2,626,234	38,023,673	2,166,141	29,410,467	1,449,210	2,926,477	34,778	148,957	336,586	610,831	204,904	48,036
$15,000 under $16,000	2,598,308	40,272,975	2,154,540	31,309,662	1,388,895	3,018,762	62,835	300,258	388,457	832,939	196,342	48,721
$16,000 under $17,000	2,367,239	39,102,465	2,021,884	30,894,882	1,326,858	2,803,998	23,761	47,618	370,675	668,330	202,410	48,004
$17,000 under $18,000	2,456,793	43,013,019	2,102,687	34,092,539	1,370,500	2,924,596	48,472	288,099	297,809	560,693	276,679	86,692
$18,000 under $19,000	2,196,171	40,600,463	1,813,701	30,703,050	1,269,462	2,949,857	50,304	168,107	389,512	952,721	185,666	62,433
$19,000 under $20,000	2,141,719	41,769,448	1,836,924	33,191,448	1,297,567	2,600,509	33,799	199,408	364,592	826,363	262,515	93,409
$20,000 under $25,000	9,278,762	207,837,324	8,179,281	169,870,130	5,926,543	11,801,694	169,409	713,166	1,591,544	2,906,789	1,400,203	428,271
$25,000 under $30,000	7,517,739	206,201,583	6,836,057	172,891,644	5,339,128	9,657,844	202,091	819,188	1,532,734	3,658,490	1,696,202	623,890
$30,000 under $40,000	11,956,599	415,310,642	10,993,238	351,744,028	9,474,015	18,861,073	434,242	2,319,122	3,048,794	6,015,235	4,081,600	1,469,260
$40,000 under $50,000	8,264,514	369,115,676	7,657,668	312,719,288	7,156,836	14,968,785	369,261	2,135,013	2,671,879	4,735,728	3,476,201	1,434,051
$50,000 under $75,000	8,904,085	532,715,520	8,222,230	440,578,375	8,246,794	21,824,207	625,735	4,201,272	3,851,408	10,055,587	4,164,070	2,024,174
$75,000 under $100,000	2,520,476	214,204,828	2,246,345	160,636,762	2,437,663	12,390,346	357,929	2,699,290	1,470,574	6,030,410	1,167,626	917,428
$100,000 under $200,000	1,778,258	236,074,161	1,509,216	148,353,631	1,736,632	15,881,240	404,477	5,084,120	1,200,857	9,289,868	836,786	1,183,116
$200,000 under $500,000	548,472	161,914,657	448,981	87,848,052	543,049	11,694,866	190,924	4,749,952	427,571	7,957,341	267,103	908,391
$500,000 under $1,000,000	114,808	77,893,798	96,054	35,442,003	114,386	6,140,617	54,466	2,729,712	98,122	4,453,109	60,955	473,166
$1,000,000 or more	62,065	169,631,441	51,987	45,356,884	61,938	13,055,332	35,000	3,931,975	56,088	11,917,360	36,774	929,344
Taxable returns, total	**87,135,332**	**2,989,915,092**	**75,370,959**	**2,232,278,705**	**61,725,973**	**171,652,089**	**3,320,917**	**31,220,545**	**20,974,667**	**73,845,536**	**18,733,876**	**10,779,557**
No adjusted gross income	5,952	−3,558,231	4,171	405,989	5,849	793,072	585	68,185	2,290	137,625	2,676	16,798
$1 under $1,000	904,855	680,691	316,183	199,473	767,690	330,358	14,294	7,893	211,473	66,213	12,858	11,063
$1,000 under $2,000	1,084,384	1,591,311	676,520	841,047	1,041,485	529,750	14,288	4,989	270,741	139,893	11,430	409
$2,000 under $3,000	884,296	2,201,835	751,227	1,582,603	864,233	425,801			169,010	85,781		
$3,000 under $4,000	1,341,720	4,669,966	1,250,181	4,053,181	746,948	346,915	12,858	15,848	141,867	134,379	12,858	2,448
$4,000 under $5,000	949,608	4,279,048	886,440	3,729,623	501,847	239,237	12,858	11,816	82,137	64,616	12,125	11
$5,000 under $6,000	1,979,501	10,924,397	1,700,131	8,683,951	871,764	755,680	15,715	12,326	151,027	188,694	119,082	10,006
$6,000 under $7,000	2,019,102	13,129,220	1,644,023	9,987,815	1,002,799	1,378,921	10,697	17,241	232,301	299,049	25,633	3,483
$7,000 under $8,000	1,915,360	14,315,836	1,520,592	10,515,835	905,325	1,629,343	22,128	49,492	204,478	328,588	55,686	11,854
$8,000 under $9,000	1,940,736	16,513,134	1,538,666	12,457,850	926,954	1,781,349	24,253	47,774	217,288	404,786	27,844	13,409
$9,000 under $10,000	1,911,324	18,153,480	1,513,757	13,485,796	1,003,860	2,021,718	20,003	30,142	236,402	325,230	45,967	8,288
$10,000 under $11,000	2,023,118	21,746,831	1,570,314	15,165,527	1,095,150	2,440,215	32,092	98,487	298,276	506,559	49,886	38,794
$11,000 under $12,000	1,916,866	22,061,176	1,395,241	14,680,552	1,129,434	2,738,178	52,828	171,714	272,558	562,247	61,316	10,271
$12,000 under $13,000	2,080,175	25,998,673	1,639,120	18,629,180	1,145,476	2,667,076	18,089	28,766	285,042	619,476	81,244	32,267
$13,000 under $14,000	2,195,157	29,624,653	1,723,488	21,334,312	1,268,317	3,001,264	37,808	406,348	343,755	647,916	98,449	25,028
$14,000 under $15,000	2,189,640	31,704,722	1,779,407	24,229,334	1,275,741	2,624,798	29,044	142,793	290,264	544,520	109,670	41,567
$15,000 under $16,000	2,362,514	36,621,178	1,962,704	28,636,476	1,312,169	2,863,476	57,120	293,420	358,639	766,923	165,855	40,749
$16,000 under $17,000	2,194,035	36,250,230	1,873,279	28,629,963	1,238,573	2,694,300	23,759	47,006	351,174	648,456	176,989	48,216
$17,000 under $18,000	2,342,965	41,029,605	2,000,955	32,289,859	1,318,074	2,858,158	48,172	280,319	278,102	445,090	252,491	78,516
$18,000 under $19,000	2,131,858	39,418,043	1,772,107	29,960,662	1,222,209	2,769,761	45,320	161,200	372,833	896,614	170,798	52,411
$19,000 under $20,000	2,098,442	40,929,611	1,805,026	32,555,686	1,268,578	2,522,471	33,799	199,408	354,463	825,658	246,107	81,806
$20,000 under $25,000	9,141,213	204,811,083	8,086,908	167,870,055	5,831,610	11,366,216	166,083	694,348	1,556,220	2,820,016	1,353,444	401,777
$25,000 under $30,000	7,461,750	204,667,435	6,793,795	171,902,761	5,291,152	9,515,738	197,279	803,366	1,513,841	3,588,315	1,673,423	592,286
$30,000 under $40,000	11,895,769	413,203,096	10,951,251	350,438,907	9,416,610	18,483,331	428,180	2,211,769	3,019,265	5,832,433	4,056,668	1,447,975
$40,000 under $50,000	8,249,552	368,437,697	7,648,466	312,341,720	7,146,089	14,769,224	368,062	2,087,101	2,663,112	4,676,817	3,475,061	1,422,614
$50,000 under $75,000	8,897,085	532,315,125	8,217,440	440,464,866	8,240,094	21,746,998	623,759	4,196,615	3,848,082	9,990,691	4,159,712	2,004,638
$75,000 under $100,000	2,518,463	214,024,329	2,245,231	160,559,113	2,435,650	12,301,166	357,818	2,698,832	1,469,288	5,983,341	1,167,245	915,798
$100,000 under $200,000	1,776,104	235,793,141	1,507,797	148,282,146	1,734,708	15,737,463	403,843	5,055,349	1,199,565	9,227,759	836,747	1,182,082
$200,000 under $500,000	547,867	161,736,529	448,633	87,799,626	542,471	11,579,885	190,778	4,736,161	427,147	7,926,364	266,917	905,794
$500,000 under $1,000,000	114,682	77,808,122	95,984	35,429,533	114,263	6,047,998	54,427	2,721,972	98,015	4,440,334	60,910	472,259
$1,000,000 or more	61,972	169,333,126	51,923	45,338,466	61,848	12,792,231	34,979	3,929,863	56,012	11,880,905	36,740	926,992
Nontaxable returns, total	**22,572,948**	**93,104,691**	**17,886,411**	**105,705,424**	**7,695,365**	**15,329,547**	**193,483**	**1,590,730**	**1,928,487**	**3,483,971**	**847,587**	**455,318**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alimony received		Business or profession				Capital gain distribution reported on Form 1040		Sales of capital assets reported on Schedule D			
			Net income		Net loss		Net gain		Net gain in AGI		Net loss in AGI	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**465,437**	**3,035,504**	**10,491,980**	**145,517,755**	**3,079,460**	**19,194,505**	**1,788,122**	**926,728**	**7,890,406**	**160,947,811**	**4,630,707**	**8,106,330**
No adjusted gross income	796	15,394	98,427	1,462,472	335,682	6,275,545	8,220	4,016	137,283	6,196,726	122,591	302,845
$1 under $1,000	—	—	101,474	198,404	35,247	95,163	57,817	4,771	55,175	38,871	54,525	36,180
$1,000 under $2,000	—	—	165,632	242,353	27,381	136,879	42,864	16,463	52,851	154,787	69,976	95,057
$2,000 under $3,000	*13,555	*28,360	175,425	361,944	54,414	191,680	37,150	11,776	68,089	181,533	30,931	42,998
$3,000 under $4,000	*2,858	*11,145	215,222	575,291	44,524	215,381	26,094	7,666	90,150	151,773	60,269	97,580
$4,000 under $5,000	*14,288	*51,508	189,860	633,336	41,987	121,124	22,787	5,763	72,478	124,165	31,826	66,288
$5,000 under $6,000	*13,555	*47,249	293,004	1,284,124	40,759	171,805	*24,985	*10,773	68,535	158,476	73,164	116,402
$6,000 under $7,000	*21,395	*79,561	231,282	911,417	39,866	159,307	32,092	5,223	88,859	134,066	47,877	104,949
$7,000 under $8,000	*13,555	*70,449	232,404	1,172,553	25,587	56,892	*16,413	*3,587	102,436	225,202	93,772	182,514
$8,000 under $9,000	*13,555	*53,280	223,186	1,221,478	44,917	92,488	29,234	21,410	88,748	184,931	51,623	82,404
$9,000 under $10,000	*22,861	*108,037	231,077	1,391,045	26,134	98,693	34,069	18,111	109,890	244,737	72,570	94,821
$10,000 under $11,000	*10,697	*45,297	227,053	1,419,631	58,571	231,568	26,366	9,858	105,112	217,357	66,451	115,542
$11,000 under $12,000	*5,715	*46,350	199,995	1,166,168	38,163	124,370	*19,270	*10,276	100,419	293,196	68,301	119,950
$12,000 under $13,000	*13,555	*79,094	213,386	1,388,214	35,294	109,637	29,957	13,772	83,015	225,507	59,791	106,016
$13,000 under $14,000	*2,858	*1,146	237,336	1,639,248	56,043	256,260	*22,053	*8,882	97,764	238,262	69,548	109,122
$14,000 under $15,000	*22,128	*75,305	193,070	1,683,814	37,721	161,435	36,416	28,770	100,950	228,862	65,438	126,332
$15,000 under $16,000	*11,430	*37,749	192,976	1,382,967	45,837	195,132	*23,519	*18,399	104,875	356,792	73,586	126,040
$16,000 under $17,000	*10,697	*16,290	201,572	1,638,465	49,724	143,884	36,133	20,087	115,901	318,055	61,567	100,257
$17,000 under $18,000	*13,555	*42,003	247,068	1,861,800	49,430	261,876	33,519	18,347	117,682	474,263	55,521	94,479
$18,000 under $19,000	*11,430	*51,765	190,062	1,599,398	49,130	195,472	29,192	9,338	108,681	437,357	74,343	148,257
$19,000 under $20,000	*12,124	*120,811	218,970	2,055,361	35,175	199,921	*22,866	*14,102	98,674	318,013	94,230	138,631
$20,000 under $25,000	55,433	297,050	905,418	8,310,004	260,810	1,216,495	132,057	65,808	510,025	2,068,192	316,183	544,190
$25,000 under $30,000	29,169	176,867	813,168	7,959,730	227,916	808,174	147,104	51,285	484,989	1,889,081	285,344	538,469
$30,000 under $40,000	69,367	611,601	1,301,223	13,626,441	435,558	1,608,553	258,261	138,230	1,018,347	4,511,072	562,184	921,521
$40,000 under $50,000	37,835	235,288	976,977	11,824,941	322,788	1,237,340	199,651	97,675	823,389	4,336,364	498,281	829,285
$50,000 under $75,000	19,614	189,041	1,193,149	22,439,572	380,268	1,431,857	280,059	91,468	1,296,509	11,113,649	792,887	1,311,560
$75,000 under $100,000	14,648	317,509	459,839	14,748,655	122,920	760,336	92,942	99,119	658,085	8,242,094	332,719	597,492
$100,000 under $200,000	6,786	156,429	408,747	21,678,144	104,727	943,681	52,312	48,221	714,151	21,245,132	303,549	623,624
$200,000 under $500,000	1,575	60,957	119,361	11,350,581	36,565	701,201	12,977	20,458	293,941	22,737,659	109,305	251,152
$500,000 under $1,000,000	227	4,752	22,990	3,517,862	10,109	350,613	1,282	23,064	76,480	16,189,366	22,307	55,785
$1,000,000 or more	176	5,219	12,625	4,772,340	6,216	641,743	461	30,010	46,921	57,712,271	10,050	26,589
Taxable returns, total	**402,347**	**2,762,208**	**8,322,162**	**133,710,111**	**2,301,888**	**10,767,920**	**1,685,878**	**888,894**	**7,183,883**	**153,658,215**	**4,046,018**	**6,890,116**
No adjusted gross income	*7	*689	1,459	154,033	757	161,849	—	—	3,806	1,689,921	787	1,835
$1 under $1,000	—	—	—	—	*2,131	*2,708	51,437	4,586	28,587	19,266	*11,430	*3,552
$1,000 under $2,000	—		*8,498	*12,284	*2,127	*924	42,864	16,463	37,149	19,577	28,578	9,056
$2,000 under $3,000	—	—	*4,249	*7,132	—	—	34,291	9,707	39,724	32,683	—	—
$3,000 under $4,000	—	—	25,494	43,737	—	—	*16,130	*3,129	31,436	28,333	*20,003	*6,358
$4,000 under $5,000	*2,858	*3,215	29,743	97,595	—	—	*5,715	*3,086	*22,578	*31,011	*5,715	*1,689
$5,000 under $6,000	*7,840	*30,103	140,518	613,933	*12,747	*23,607	*22,128	*10,030	26,553	46,175	35,683	33,152
$6,000 under $7,000	*19,270	*66,601	88,045	343,598	*14,872	*39,594	27,110	5,135	64,964	80,582	27,843	45,747
$7,000 under $8,000	*11,430	*57,638	106,862	507,907	*8,498	*17,429	*7,840	*2,887	62,510	140,343	46,369	77,538
$8,000 under $9,000	*10,697	*38,992	76,482	427,660	19,123	30,686	*19,270	*19,696	39,858	112,698	27,804	28,262
$9,000 under $10,000	*14,288	*69,311	117,327	665,925	*7,755	*16,553	*19,918	*9,193	75,232	154,106	52,461	55,750
$10,000 under $11,000	*7,840	*16,721	119,530	745,862	36,011	131,821	*24,242	*9,765	84,337	170,308	57,138	102,663
$11,000 under $12,000	*5,715	*46,350	118,122	653,969	24,034	83,111	*17,146	*10,253	79,111	184,607	56,870	111,134
$12,000 under $13,000	*8,573	*45,436	131,705	891,450	24,751	66,702	*25,718	*7,278	60,470	148,315	43,888	78,174
$13,000 under $14,000	—	—	142,536	1,042,591	36,701	151,018	*19,928	*7,051	76,884	187,143	61,991	94,469
$14,000 under $15,000	*22,128	*75,305	142,176	1,194,403	28,923	124,541	33,558	25,223	84,506	153,480	53,359	99,644
$15,000 under $16,000	*11,430	*37,749	149,902	983,429	35,293	127,806	*23,519	*18,399	91,384	281,614	65,745	116,929
$16,000 under $17,000	*10,697	*16,290	165,613	1,295,354	41,967	109,712	36,133	20,087	108,544	275,605	58,406	91,381
$17,000 under $18,000	*13,555	*42,003	228,034	1,725,002	47,084	220,155	33,519	18,347	105,215	416,629	47,644	76,570
$18,000 under $19,000	*11,430	*51,765	170,265	1,362,007	43,579	125,230	29,192	9,338	98,934	394,606	71,484	139,680
$19,000 under $20,000	*12,124	*120,811	208,944	1,874,845	33,793	163,600	*22,861	*14,102	89,173	282,109	86,390	122,090
$20,000 under $25,000	55,433	297,050	871,503	7,748,805	246,504	1,025,181	130,676	65,617	489,723	1,844,788	298,711	505,830
$25,000 under $30,000	29,169	176,867	801,325	7,813,548	224,396	744,372	147,104	51,285	472,350	1,738,836	278,328	523,477
$30,000 under $40,000	**147,458	**1,559,341	1,283,788	13,432,454	431,332	1,443,834	**893,837	**495,161	1,007,869	4,283,512	547,434	880,204
$40,000 under $50,000	**	**	975,968	11,762,650	321,709	1,211,923	**	**	820,116	4,231,282	495,614	828,118
$50,000 under $75,000	**	**	1,191,463	22,331,769	378,517	1,400,839	**	**	1,295,001	11,069,198	789,870	1,306,501
$75,000 under $100,000	**	**	459,704	14,738,155	121,868	741,009	**	**	657,806	8,180,356	332,223	596,003
$100,000 under $200,000	**	**	408,117	21,619,282	104,702	939,027	**	**	713,239	21,147,400	302,772	621,297
$200,000 under $500,000	**	**	119,230	11,338,315	36,446	686,466	**	**	293,575	22,640,546	109,169	250,774
$500,000 under $1,000,000	227	4,752	22,951	3,513,546	10,079	341,269	1,282	23,064	76,394	16,110,331	22,280	55,708
$1,000,000 or more	176	5,219	12,609	4,768,869	6,190	636,955	461	30,010	46,856	57,562,853	10,031	26,532
Nontaxable returns, total	**63,090**	**273,297**	**2,169,817**	**11,807,645**	**777,572**	**8,426,584**	**102,244**	**37,835**	**706,524**	**7,289,596**	**584,689**	**1,216,214**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of capital assets reported on Schedule D—Continued											
	Current short-term capital gains		Current short term capital losses		Short-term loss carryover		Current long-term capital gains		Current long-term capital losses		Long-term loss carryover	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**2,442,933**	**14,137,399**	**2,629,332**	**26,771,308**	**558,423**	**13,526,704**	**9,020,385**	**171,066,335**	**5,393,189**	**45,814,491**	**998,871**	**17,012,099**
No adjusted gross income	33 972	412 589	57 884	2 232 871	21 649	1 389 302	176 814	7 915 639	128 511	3 976 070	31 426	1 733 252
$1 under $1 000	*14 243	*13 560	*16 418	*33 880	—	—	67 339	52 727	46 621	35 969	*3 521	*6 933
$1 000 under $2 000	*19 274	*8 376	*10 700	*22 983	—	—	67 874	175 335	76 424	473 305	*11 430	*304 483
$2 000 under $3 000	*19 796	*40 211	*16 708	*43 160	*2 858	*32 828	68 319	397 997	32 609	282 645	*7 096	*258 588
$3 000 under $4 000	20 757	34 604	*20 994	*247 880	*7 347	*219 497	95 959	168 833	65 744	485 989	*9 964	*358 830
$4 000 under $5 000	*18 687	*32 030	18 501	156 181	*2 660	*109 613	71 445	138 728	41 495	373 696	*10 937	*314 634
$5 000 under $6 000	*16 414	*23 791	33 021	206 261	*7 932	*155 668	82 183	204 518	66 654	477 775	*18 538	*294 087
$6 000 under $7 000	27 961	25 066	21 956	48 200	*6 312	*18 900	101 875	204 902	57 376	332 273	*7 843	*28 577
$7 000 under $8 000	23 550	12 722	34 864	100 534	*11 011	*48 598	122 020	323 883	106 354	457 468	*17 657	*176 091
$8 000 under $9 000	*7 702	*4 835	22 748	985 728	*9 267	*877 027	112 527	259 936	49 012	1 446 062	*9 914	*1 190 885
$9 000 under $10 000	27 269	44 753	26 371	113 908	*7 098	*106 769	139 022	359 608	72 570	356 538	*7 096	*118 963
$10 000 under $11 000	27 176	25 501	35 746	362 259	*2 970	*187 855	128 026	272 468	71 455	245 278	*12 822	*89 531
$11 000 under $12 000	*14 289	*19 300	*14 585	*35 747	*8 575	*27 534	111 850	317 761	69 201	266 076	*17 148	*111 040
$12 000 under $13 000	*12 740	*23 932	22 351	48 486	*6 374	*36 709	98 963	246 577	65 678	592 542	*7 557	*28 502
$13 000 under $14 000	*19 669	*13 860	19 663	99 817	*1 559	*71 654	121 850	282 701	75 347	524 499	*13 373	*361 512
$14 000 under $15 000	*5 801	*1 775	26 912	79 509	*7 923	*62 579	112 515	299 535	64 996	315 317	*15 781	*134 526
$15 000 under $16 000	29 088	62 036	24 922	211 623	*5 715	*189 793	128 528	387 493	77 787	385 587	*16 130	*214 212
$16 000 under $17 000	25 881	33 229	26 617	230 042	*5 718	*187 859	132 746	359 643	67 729	579 962	*10 699	*474 493
$17 000 under $18 000	31 870	67 066	23 392	106 802	*5 233	*67 946	118 615	472 999	57 446	427 849	*17 069	*305 285
$18 000 under $19 000	25 727	130 102	24 253	67 750	*2 858	*1 003	122 320	389 902	88 567	351 987	20 890	206 845
$19 000 under $20 000	*19 185	*30 753	37 989	138 016	*10 868	*64 223	125 608	367 741	76 826	335 140	*17 772	*94 253
$20 000 under $25 000	128 932	292 497	140 451	2 688 792	34 179	1 482 575	595 466	2 381 009	323 029	1 994 812	58 100	1 006 445
$25 000 under $30 000	96 154	225 940	133 590	630 568	34 759	200 338	555 035	2 092 838	327 572	1 829 925	64 322	489 228
$30 000 under $40 000	316 798	619 380	339 234	1 285 065	53 191	301 803	1 133 776	5 316 896	652 599	3 896 637	89 498	896 090
$40 000 under $50 000	264 727	513 162	266 118	1 391 971	34 071	565 791	910 708	4 737 793	525 033	2 645 164	105 075	708 500
$50 000 under $75 000	452 347	944 408	483 387	3 064 063	104 008	1 729 001	1 467 147	12 447 609	885 710	5 503 653	154 853	1 915 045
$75 000 under $100 000	248 758	882 047	242 050	1 841 806	55 015	998 312	734 526	9 145 450	445 158	3 009 918	86 169	1 018 702
$100 000 under $200 000	277 838	2 217 345	283 938	4 104 698	63 033	2 101 072	831 051	23 137 491	474 712	5 198 671	93 287	1 575 693
$200 000 under $500 000	144 196	2 081 048	136 025	2 694 046	31 717	1 125 689	344 438	24 262 149	209 652	4 068 054	44 988	1 443 193
$500 000 under $1 000 000	42 796	1 473 781	40 769	1 273 382	9 042	497 612	88 885	16 635 887	56 596	1 874 061	11 211	492 235
$1 000 000 or more	29 337	3 827 699	27 172	2 225 277	5 483	669 153	52 954	57 310 290	34 726	3 071 569	6 702	661 449
Taxable returns, total	**2,260,457**	**13,329,111**	**2,364,166**	**22,347,198**	**470,819**	**10,568,905**	**8,153,204**	**161,042,821**	**4,797,813**	**37,315,137**	**856,977**	**13,098,754**
No adjusted gross income	1 166	86 312	1 506	130 119	220	43 901	4 295	1 862 767	1 765	212 488	311	44 561
$1 under $1 000	*5 720	*859	*2 863	*810	—		25 729	18 564	*11 435	*2 898	—	
$1 000 under $2 000	*14 290	*5 445	*5 715	*1 675	—	—	45 724	28 134	37 151	21 401	—	—
$2 000 under $3 000	*11 430	*8 770	*5 715	*634	—	—	34 009	27 145	*5 715	*2 598	—	
$3 000 under $4 000	*5 715	*4 761		—	—	—	34 293	25 687	*25 718	*8 473	—	
$4 000 under $5 000	*2 858	*2 423	*2 858	*114	—		*19 721	*28 622	*8 573	*1 609	—	
$5 000 under $6 000	*5 715	*12 605	*19 271	*43 757	—	—	26 553	37 735	*24 985	*32 683	*2 858	*1 380
$6 000 under $7 000	*20 612	*20 181	*12 126	*17 408	*2 858	*13 111	70 031	89 230	39 969	80 811	*2 860	*1 333
$7 000 under $8 000	*11 430	*1 946	*17 146	*12 691	—	—	68 225	161 948	59 191	196 664	*7 096	*95 023
$8 000 under $9 000	*4 982	*2 994	*10 659	*902 721	*3 551	*823 521	54 107	131 523	31 356	1 306 076	*6 409	*1 167 636
$9 000 under $10 000	*19 185	*35 917	*20 651	*40 986	*1 381	*33 912	98 543	184 727	56 051	200 357	*7 096	*118 963
$10 000 under $11 000	*22 822	*20 696	31 395	203 908	*2 858	*42 070	110 016	218 215	59 264	222 248	*10 697	*76 510
$11 000 under $12 000	*14 289	*19 300	*11 727	*34 956	*8 574	*27 511	87 684	197 400	56 138	241 562	*17 147	*111 016
$12 000 under $13 000	*7 109	*21 706	*12 078	*30 002	*2 125	*26 070	72 831	166 112	50 817	567 485	*5 433	*24 399
$13 000 under $14 000	*12 094	*10 133	*16 344	*36 380	*665	*21 257	99 007	212 993	61 326	481 565	*12 822	*353 447
$14 000 under $15 000	*2 943	*1 063	*18 340	*71 394	*7 923	*62 579	96 071	223 943	50 041	268 789	*10 780	*100 627
$15 000 under $16 000	*22 724	*39 912	*14 967	*15 883	*2 858	*3 838	115 035	319 268	72 803	379 467	*16 130	*214 212
$16 000 under $17 000	25 879	32 884	26 314	226 969	*5 715	*187 313	122 228	311 443	59 353	566 503	*7 841	*466 510
$17 000 under $18 000	26 930	44 803	*19 833	*73 400	*4 249	*40 023	102 808	403 828	50 511	350 154	*17 049	*304 969
$18 000 under $19 000	22 870	129 976	*21 395	*67 327	*2 858	*1 003	109 714	333 866	80 633	318 213	20 889	206 817
$19 000 under $20 000	*19 185	*30 753	32 910	84 874	*7 840	*43 114	111 301	324 847	74 062	332 451	*17 770	*94 114
$20 000 under $25 000	119 664	175 876	127 510	2 508 101	31 469	1 443 244	564 961	2 067 341	300 182	1 653 258	49 631	926 371
$25 000 under $30 000	92 456	225 093	131 364	611 655	33 373	182 713	541 436	1 918 844	318 632	1 490 861	59 911	481 228
$30 000 under $40 000	311 430	612 507	329 389	1 250 144	51 141	290 896	1 118 855	5 069 883	636 902	3 573 517	83 404	664 223
$40 000 under $50 000	263 134	459 872	262 163	1 381 173	34 071	565 791	907 134	4 666 710	524 186	2 634 621	104 668	700 296
$50 000 under $75 000	451 645	939 796	481 490	2 985 657	103 705	1 714 481	1 464 121	12 198 030	882 295	5 344 351	154 553	1 902 033
$75 000 under $100 000	248 634	879 391	241 452	1 584 348	54 601	783 666	733 771	9 040 003	444 500	2 921 513	85 850	971 831
$100 000 under $200 000	277 071	2 184 387	283 384	3 968 091	62 642	1 978 705	829 363	22 995 185	473 744	5 103 020	92 970	1 521 135
$200 000 under $500 000	143 959	2 055 063	135 779	2 642 298	31 647	1 101 098	343 986	24 089 064	209 333	3 964 788	44 910	1 424 421
$500 000 under $1 000 000	42 731	1 462 764	40 709	1 261 172	9 024	492 467	88 778	16 544 551	56 518	1 845 791	11 198	488 484
$1 000 000 or more	29 285	3 800 922	27 113	2 158 549	5 473	646 620	52 874	57 145 214	34 661	2 988 923	6 694	637 213
Nontaxable returns, total	**182,475**	**808,287**	**265,166**	**4,424,110**	**87,604**	**2,957,800**	**867,181**	**10,023,515**	**595,376**	**8,499,354**	**141,894**	**3,913,345**

Footnotes at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of property other than capital assets				Total taxable IRA distributions		Pensions and annuities				Rent			
	Net gain		Net loss				Total		In adjusted gross income		Net income		Net loss (includes nondeductible loss)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
All returns, total	**960,705**	**6,279,700**	**795,246**	**4,419,387**	**2,645,142**	**11,118,008**	**17,192,037**	**175,469,215**	**16,481,248**	**138,785,886**	**3,722,828**	**21,139,837**	**5,157,554**	**33,004,254**
No adjusted gross income	37,609	472,384	67,077	2,021,601	12,467	90,100	47,877	732,780	38,763	377,526	64,826	637,983	136,976	3,174,764
$1 under $1,000	*4,374	*1,204	*2,126	*7,143	*9,167	*11,327	35,930	210,932	33,073	108,661	19,688	27,831	31,283	194,274
$1,000 under $2,000	*5,438	*7,495	*5,017	*1,705	*5,715	*10,342	74,309	305,906	62,878	60,916	*12,824	*27,646	32,140	143,122
$2,000 under $3,000	*14,090	*29,645	*4,249	*20,244	*14,006	*17,063	126,032	268,487	117,459	202,710	21,868	39,810	41,595	175,259
$3,000 under $4,000	*6,039	*23,441	*8	*201	*19,270	*26,070	168,365	637,792	165,508	338,017	37,169	52,385	49,159	177,108
$4,000 under $5,000	*9,803	*66,932	*10,715	*7,391	37,094	92,783	258,472	781,652	255,614	730,444	54,136	147,051	50,231	154,149
$5,000 under $6,000	*2,520	*26,220	*3,618	*51,872	27,689	83,533	298,700	1,075,441	292,984	936,971	86,736	192,354	39,352	242,384
$6,000 under $7,000	*9,052	*17,219	*4,244	*4,139	29,240	75,111	390,527	1,650,927	387,669	1,503,637	56,734	124,028	55,602	301,138
$7,000 under $8,000	*4,986	*14,800	*9,232	*35,227	27,843	82,065	440,455	1,972,359	432,615	1,879,289	97,162	271,061	55,493	169,813
$8,000 under $9,000	*10,416	*24,793	*11,014	*29,875	55,686	124,119	507,541	2,567,884	498,968	2,405,643	77,309	144,657	46,954	189,312
$9,000 under $10,000	*12,814	*11,952	*7,108	*5,672	38,540	106,061	511,594	2,700,036	505,878	2,479,614	97,068	224,591	57,641	242,459
$10,000 under $11,000	*19,533	*42,971	*9,980	*20,223	66,308	169,573	477,372	2,701,797	463,817	2,560,245	97,650	249,505	48,135	251,543
$11,000 under $12,000	26,715	46,880	*3,505	*1,276	58,544	206,817	499,278	3,364,821	498,982	3,220,381	66,016	210,787	41,441	188,290
$12,000 under $13,000	19,687	35,851	*11,637	*10,135	82,137	228,315	477,896	2,947,406	477,896	2,856,285	84,189	263,760	55,935	275,067
$13,000 under $14,000	*8,768	*20,655	*8,573	*18,554	43,919	120,858	477,352	3,720,151	468,779	3,315,883	47,778	147,998	80,005	293,812
$14,000 under $15,000	*10,415	*7,808	*11,446	*60,220	80,596	270,917	445,255	3,533,103	437,853	3,279,965	62,840	131,774	77,779	424,940
$15,000 under $16,000	*7,961	*13,540	*17,511	*28,529	58,419	122,581	466,422	3,664,692	457,849	3,133,226	52,545	174,152	57,414	249,831
$16,000 under $17,000	17,613	92,794	*7,389	*45,073	66,553	270,894	432,632	2,944,134	429,774	2,765,361	72,190	132,844	64,788	255,968
$17,000 under $18,000	21,572	90,896	*9,602	*10,388	61,901	175,984	388,842	3,446,492	369,571	3,078,953	92,427	238,952	84,679	294,136
$18,000 under $19,000	*12,020	*25,969	*13,410	*13,752	51,520	193,162	452,324	4,688,786	446,608	4,058,312	46,861	94,074	75,742	261,102
$19,000 under $20,000	*10,457	*5,636	22,046	73,179	60,598	112,281	347,637	3,080,388	347,637	2,743,306	53,707	238,532	58,289	259,405
$20,000 under $25,000	47,520	149,585	52,941	108,402	235,496	708,508	1,574,474	15,201,258	1,547,543	13,635,327	302,625	926,475	359,938	1,629,152
$25,000 under $30,000	72,289	207,409	50,152	201,876	181,329	589,938	1,202,713	12,852,159	1,167,597	10,916,000	246,706	696,933	383,859	1,806,764
$30,000 under $40,000	107,197	393,906	89,678	200,789	379,208	1,357,287	2,002,522	20,061,396	1,888,730	16,842,283	484,455	1,662,625	683,074	3,407,239
$40,000 under $50,000	114,132	453,930	70,917	137,207	323,322	1,167,411	1,707,149	18,356,598	1,615,049	15,293,871	338,258	1,377,495	648,732	2,870,396
$50,000 under $75,000	126,604	780,322	109,504	337,982	402,065	2,155,849	2,103,346	27,743,505	1,962,984	20,051,384	487,181	2,545,799	906,558	5,427,133
$75,000 under $100,000	77,848	482,105	42,724	137,788	110,688	725,908	670,659	11,787,754	600,525	7,863,573	204,354	1,861,053	380,092	2,803,568
$100,000 under $200,000	79,038	774,790	71,529	307,546	79,032	842,048	441,082	10,128,066	377,016	6,400,967	218,248	3,229,030	371,718	3,549,091
$200,000 under $500,000	43,078	784,491	45,511	220,610	20,906	490,502	119,651	5,797,822	96,093	2,553,853	98,524	2,574,272	136,306	2,168,304
$500,000 under $1,000,000	12,410	425,940	13,374	128,923	3,628	151,815	29,177	2,835,776	22,656	1,124,115	25,172	1,155,219	30,465	753,188
$1,000,000 or more	8,707	748,136	9,411	171,864	2,255	338,785	16,454	3,708,917	12,880	2,069,168	15,583	1,339,162	16,176	671,544
Taxable returns, total	**807,090**	**5,437,679**	**670,739**	**2,225,645**	**2,402,929**	**10,339,118**	**15,123,147**	**165,269,354**	**14,470,534**	**130,574,931**	**3,166,371**	**19,160,960**	**4,527,899**	**27,278,991**
No adjusted gross income	742	69,976	497	58,819	24	645	248	12,848	223	8,693	841	32,931	1,658	286,624
$1 under $1,000	—	—	**	**	—	—	—	—	—	—	*6	*57	*5	*24
$1,000 under $2,000	**	**	**2,859	**85	—	—	*5,717	*6,822	*5,717	*6,427	*2,858	*4,615	*5,717	*15,566
$2,000 under $3,000	**2,577	**5,497	—	—	—	—	—	—	—	—	—	—	—	—
$3,000 under $4,000	—	—	—	—	—	—	*8,573	*17,383	*8,573	*17,148	—	—	—	—
$4,000 under $5,000	—	—	*2,575	*90	*2,125	*302	*13,555	*44,278	*13,555	*44,278	*5,715	*22,221	—	—
$5,000 under $6,000	—	—	—	—	*5,715	*3,792	102,879	364,511	100,021	326,687	28,088	71,049	*9,964	*52,120
$6,000 under $7,000	*5,433	*1,720	*2,858	*60	*7,840	*16,841	232,575	958,248	229,717	871,280	*21,384	*70,380	*17,794	*94,045
$7,000 under $8,000	*4,982	*14,702	*2,858	*740	*14,288	*57,858	232,124	967,835	227,142	920,098	34,649	103,298	*24,252	*27,567
$8,000 under $9,000	*5,434	*6,159	*5,715	*7,784	37,149	70,186	249,721	1,288,660	246,864	1,244,393	42,789	78,612	*21,396	*111,205
$9,000 under $10,000	*7,275	*11,447	*4,982	*4,851	*19,270	*50,761	292,715	1,395,840	289,858	1,335,579	56,000	111,427	26,732	68,358
$10,000 under $11,000	*14,383	*38,768	*6,474	*7,249	48,504	110,454	398,147	2,226,736	387,450	2,188,759	73,397	201,399	33,292	117,184
$11,000 under $12,000	*12,935	*12,597	—	—	48,579	151,581	456,541	3,110,639	456,246	2,966,768	48,222	112,605	36,949	146,689
$12,000 under $13,000	*10,287	*27,355	*10,973	*10,045	76,422	188,023	432,697	2,619,128	432,697	2,551,337	66,209	215,952	36,064	113,850
$13,000 under $14,000	*2,575	*6,263	*8,573	*18,554	43,898	120,400	451,652	3,557,673	443,080	3,156,109	38,540	102,733	65,471	238,044
$14,000 under $15,000	*7,840	*5,194	*6,727	*59,302	75,614	257,221	412,617	3,298,607	405,511	3,078,473	52,596	115,936	65,797	353,680
$15,000 under $16,000	*5,814	*618	*17,511	*28,529	54,180	117,420	429,358	3,455,411	420,785	2,941,215	46,166	154,343	44,678	229,725
$16,000 under $17,000	*14,737	*80,678	*5,265	*44,412	66,551	270,744	415,274	2,793,397	412,417	2,665,333	63,382	106,190	59,584	233,068
$17,000 under $18,000	*17,594	*65,964	*7,027	*8,547	61,237	173,327	383,126	3,420,994	363,856	3,053,455	84,851	208,395	73,597	253,370
$18,000 under $19,000	*11,698	*25,637	*13,409	*13,752	51,520	193,162	442,438	4,637,145	436,723	4,010,958	45,873	81,955	71,465	249,828
$19,000 under $20,000	*10,455	*5,599	22,044	72,809	58,473	106,298	345,062	3,079,649	345,062	2,742,567	48,259	196,136	53,875	215,691
$20,000 under $25,000	41,033	102,225	50,176	98,298	235,196	706,667	1,550,102	15,064,874	1,523,171	13,510,746	296,710	849,286	341,049	1,411,219
$25,000 under $30,000	63,874	152,682	50,068	201,117	181,329	589,938	1,190,436	12,689,266	1,158,347	10,889,200	243,214	685,550	379,637	1,733,746
$30,000 under $40,000	106,662	384,067	89,013	199,768	373,150	1,282,744	1,998,537	20,026,718	1,884,745	16,807,606	481,785	1,620,529	674,097	3,247,950
$40,000 under $50,000	113,675	439,604	70,613	121,270	323,322	1,167,411	1,700,134	18,267,284	1,608,035	15,204,572	338,236	1,376,710	647,516	2,823,024
$50,000 under $75,000	126,182	779,007	108,726	313,630	402,046	2,154,943	2,102,543	27,730,947	1,962,181	20,040,071	485,297	2,509,032	904,345	5,393,860
$75,000 under $100,000	77,821	481,974	42,401	135,976	110,688	725,908	670,167	11,774,155	600,038	7,850,100	204,269	1,857,378	379,201	2,765,583
$100,000 under $200,000	79,000	772,066	71,223	303,143	79,032	842,048	441,033	10,124,787	376,987	6,400,826	217,916	3,216,339	371,102	3,536,167
$200,000 under $500,000	43,001	777,504	45,431	217,648	20,896	490,282	119,574	5,793,491	96,023	2,551,093	98,414	2,569,479	136,088	2,155,458
$500,000 under $1,000,000	12,388	423,305	13,355	127,972	**5,879	**490,161	29,157	2,834,056	22,639	1,122,812	25,142	1,153,014	30,423	736,076
$1,000,000 or more	8,695	747,071	9,386	171,194	**	**	16,446	3,707,974	12,873	2,068,346	15,562	1,333,409	16,152	669,272
Nontaxable returns, total	**153,615**	**842,021**	**124,506**	**2,193,742**	**242,214**	**778,891**	**2,068,890**	**10,199,861**	**2,010,714**	**8,210,955**	**556,457**	**1,978,877**	**629,654**	**5,725,262**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Royalty				Farm rental				Total rent and royalty			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)
All returns, total	**1,066,348**	**3,804,387**	**83,318**	**91,684**	**536,401**	**2,916,428**	**100,633**	**341,724**	**4,797,003**	**27,602,158**	**5,188,855**	**28,880,967**
No adjusted gross income	23 467	177 657	709	2,994	896	12 353	2 030	17 295	74 405	814 099	135 760	2 421 450
$1 under $1 000	*7 109	*1 992	—	—	**	**	—	—	21 814	29 843	31 283	185 481
$1 000 under $2 000	*7 841	*1 236	*664	*2 132	**9 238	**13,107	**	**	29 237	41 870	32 140	138 756
$2 000 under $3 000	*10 058	*5 834	—	—	*12 822	*15 104	**2 860	**4 365	35 423	58 153	44 452	176 971
$3 000 under $4 000	*16 413	*15 377	—	—	*8 573	*6 284	*2 858	*24 024	53 582	69 948	49 159	197 034
$4 000 under $5 000	*13 555	*4 269	—	—	*13 555	*30 580	*5 715	*11 190	76 264	181 900	55 947	157 069
$5 000 under $6,000	*12 915	*1 233	—	—	*10 698	*22 497	*2,858	*9 104	104 541	216 083	39 351	251 020
$6 000 under $7 000	*16 415	*16 439	*5 619	*918	*8 573	*15,905	—	—	81 719	156 291	59 840	291 669
$7 000 under $8 000	*8 573	*8 187	—	—	*22 861	*79 218	*4 982	*4 383	117 165	329 885	60 476	145 614
$8 000 under $9 000	*19 132	*57 047	—		*9 332	*40,175	*13 850	*31 919	97 337	240 121	58 680	219 474
$9 000 under $10 000	*9 336	*26 608	—	—	*11 432	*32 060	*2 858	*137	110 626	283 259	60 499	232 734
$10 000 under $11 000	*11 498	*25 363	*2 125	*4 678	*15 679	*50 677	*2 125	*2 738	116 294	321 646	50 911	254 935
$11 000 under $12 000	23 027	13 002	—	—	*8,290	*10 412	—	—	86 396	233 516	41 441	187 599
$12 000 under $13 000	*19 636	*7 111	**2 126	**36	*14 288	*64 247	*2 125	*1,957	97 744	335 079	58 059	261 439
$13 000 under $14 000	30 418	54 694	**	**	*20 003	*86,902	*2,858	*3,269	83 911	284 630	80 006	292 143
$14 000 under $15 000	*13 273	*13 039	—		*12 628	*71,273	*2 125	*11 347	84 041	216 086	79 904	429 842
$15 000 under $16 000	*14 839	*73 718	*5 715	*411	*22 128	*137 008	*2 125	*5 235	83 246	384 877	61 733	244 527
$16 000 under $17 000	*13 275	*1 477	—	—	*11,812	*62,658	*2 125	*1 268	88 320	196 979	66 913	229 415
$17 000 under $18 000	*18 213	*22 949	*1 381	*1 324	*5 433	*42,549	—	—	105 700	300 992	84 679	291 329
$18 000 under $19 000	15 844	11 014	—		*14 006	*44 270	—	—	72 866	142 549	74 158	253 828
$19 000 under $20 000	*15 680	*21 868	*5	*()	*8 573	*64 682	*664	*3 467	75 103	325 081	58 953	262 872
$20 000 under $25 000	77 305	80 504	*6 193	*404	51 734	242,448	*9 711	*22,877	395 124	1 234 128	359 035	1 539 848
$25 000 under $30 000	64 486	209 219	*7 510	*1 642	43 389	297,105	*1 498	*22 389	321 731	1 196 240	382 991	1 685 632
$30 000 under $40 000	133 853	214 044	*13 129	*22 066	62 707	200,890	*10 519	*45 327	620 247	2 057 081	686 237	3 253 234
$40 000 under $50 000	96 782	254 854	*5 486	*1 140	39 607	358,875	*7 026	*19 751	437 278	1 988 936	650 658	2 830 439
$50 000 under $75 000	144 081	302 487	13 196	2 126	56 879	408 025	10 373	45 327	613 048	3 212 201	908 853	5 194 135
$75 000 under $100 000	84 080	286 668	5 321	15 323	14 360	114 128	*3 174	*16 656	266 726	2 243 222	379 431	2 592 095
$100 000 under $200 000	82 594	583 343	7 986	8 336	19 990	239,764	4 254	17,897	273 426	4 022 686	363 396	2 481 720
$200 000 under $500 000	43 781	545,555	4 124	8 947	5 431	119,686	1 201	12,195	122 431	3 209 739	128 949	1 235 188
$500 000 under $1 000 000	11 020	301 417	1 218	5 307	1 001	11 389	449	3 419	31 494	1 456 736	29 486	471 556
$1 000 000 or more	7 851	466 185	812	13 899	483	22 157	273	4 187	19 763	1 818 300	15 475	471 921
Taxable returns, total	**914,148**	**3,471,260**	**76,312**	**85,422**	**464,451**	**2,744,718**	**70,468**	**237,442**	**4,106,217**	**25,171,675**	**4,538,388**	**23,899,747**
No adjusted gross income	487	9 068	*9	*29	*7	*59	*7	*550	955	40 426	1 637	161 670
$1 under $1 000	**	**			—	—	—	—	*6	*134	*5	*24
$1 000 under $2 000				—	*2 858	*3 672	**	**	*5 715	*8 287	*5 717	*9 166
$2 000 under $3 000					—	—	—					—
$3 000 under $4 000					—		—	—				
$4 000 under $5 000					—	—		—	*5 715	*22 221		
$5 000 under $6 000	**2 126	**455			*4 982	*13 892	—		35 195	85 319	*9 964	*52 120
$6 000 under $7 000	*11 430	*15 451	*2 858	*246	*5 715	*12 239	—		38 530	98 071	*20 652	*94 268
$7 000 under $8 000	*8 573	*8 187			*14 288	*32 568	**2 127	**1 610	51 794	144 053	26 377	29 118
$8 000 under $9 000	*8 573	*11 853			*2 858	*14 528	*4 982	*1 178	51 362	104 482	24 253	111 871
$9 000 under $10 000	*5 717	*2 925		—	*11 430	*32,051	*2 858	*137	67 432	146 402	29 589	68 495
$10 000 under $11 000	*7 901	*15 778	*2 125	*4 678	*15 679	*50 677	*2 125	*2 738	88 444	267 857	37 541	124 502
$11 000 under $12 000	*13 555	*3 003			*5 715	*5 087	—	—	61 777	120 026	36 949	146 020
$12 000 under $13 000	*8 938	*1 064	**2 126	**36	*11 430	*57 998	*2 125	*1 957	77 640	275 014	38 188	109 431
$13 000 under $14 000	*25 436	*52 023	**	**	*20 003	*86 902	*2 858	*3 269	69 691	236 695	65 472	236 384
$14 000 under $15 000	*8 573	*10 576			*12 628	*71 273	*2 125	*11 347	73 797	197 785	67 921	359 234
$15 000 under $16 000	*14 839	*73 718	*2 858	*409	*22 128	*137 008			76 867	365 068	46 872	219 185
$16 000 under $17 000	*8 573	*646			*11 148	*61 048	*2 125	*1 268	77 388	167 883	61 708	208 615
$17 000 under $18 000	*15 637	*6 521	*1 381	*1 324	*5 433	*42 549	—		98 123	254 058	73 597	250 563
$18 000 under $19 000	*15 520	*9 651			*14 006	*44 270	-		71 878	129 067	69 881	242 675
$19 000 under $20 000	*15 679	*21 859			*8 573	*64 682	*664	*3 467	69 654	282 676	54 539	219 158
$20 000 under $25 000	76 346	80 438	*6 193	*404	51 734	242 448	*9 711	*22 877	388 546	1 156 903	340 146	1 328 680
$25 000 under $30 000	63 022	206 617	*7 510	*1 642	43 389	297 105	*1 498	*22 389	316,857	1 180 466	378 769	1 639 885
$30 000 under $40 000	133 850	213 916	*13 129	*22 066	62 706	200 792	*10 519	*45 327	617 575	2 014 759	677 260	3 137 964
$40 000 under $50 000	96 741	254 094	*5 486	*1 140	39 607	358 875	*7 026	*19 751	437 236	1 987 391	649 442	2 790 163
$50 000 under $75 000	143 769	296 344	13 196	2 126	56 879	408 025	10 373	45 327	610 853	3 171 023	906 939	5 169 823
$75 000 under $100 000	84 055	285 609	**19 444	**51 320	14 360	114 128	*3 174	*16 656	266 638	2 238 555	378 540	2 564 398
$100 000 under $200 000	82 290	583 144	**	**	**126 894	**392 844	4 254	17 897	273 092	4 009 831	362 787	2 469 544
$200 000 under $500 000	43 697	541 535	**	**	**	**	**1 646	**15 511	122 277	3 200 969	128 744	1 225 181
$500 000 under $1 000 000	10 991	300 959	**	**	**	**	**	**	31 454	1 454 148	29 443	461 603
$1 000 000 or more	7 830	465 785	**	**	**	**	273	4 187	19 727	1 812 105	15 455	470 007
Nontaxable returns, total	**152,200**	**333,126**	**7,005**	**6,262**	**71,950**	**171,710**	**30,165**	**104,282**	**690,786**	**2,430,484**	**650,466**	**4,981,220**

For footnotes, see end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Partnership and S Corporation				Estate and trust				Farm			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)
All returns, total	**2,902,129**	**100,918,463**	**2,997,094**	**43,838,237**	**529,013**	**4,559,070**	**67,540**	**464,811**	**992,432**	**11,241,087**	**1,375,095**	**12,417,624**
No adjusted gross income	23 336	679 327	169 401	16 159 414	8 540	59 684	5 363	101 467	33 061	436 590	117 058	2 923 809
$1 under $1 000	*14 224	*6 650	3 098	151 103	*664	*4 020	**666	**1 100	24 404	17 200	9 616	63 488
$1 000 under $2 000	*8 573	*7 984	22 613	177 470	*14 290	*20 101	-		21 566	79 492	11 270	80 587
$2 000 under $3 000	*17 146	*20 017	10 558	104 599	*2 858	*374			*12 878	*23 079	6 645	112 456
$3 000 under $4 000	*19 270	*27 637	21 901	158 855	*8 575	*1 685	**	**	23 501	62 034	*2 917	*13 571
$4 000 under $5 000	20 947	109 429	26 593	111 909	*8 574	*29 455			17 147	29 216	25 180	179 357
$5 000 under $6 000	40 387	150 609	16 882	137 670	*13 555	*25,713			26 347	79 224	13 903	61 488
$6 000 under $7 000	18 643	109 215	21 334	14 141	*8 573	*22 535	*2 126	*172	32 537	121 963	34 076	127 105
$7 000 under $8 000	35 685	131 538	21 754	129 634	*4 982	*8 281			23 482	100 308	19 388	155 012
$8 000 under $9 000	47 468	160 426	20 231	56 347	*5 282	*7 061	**3	**51	24 221	155 152	32 996	144 062
$9 000 under $10 000	30 155	132,135	28 533	283 976	*5 715	*13 388			28 923	185,259	24 070	110 330
$10 000 under $11 000	43 981	226 114	19 303	78 257	*14 288	*14 551			*12 877	*48 408	42 283	222 350
$11 000 under $12 000	30 263	205 043	22 289	104 687	*11 430	*31 125	–	-	24 431	187 531	20 826	228 266
$12 000 under $13 000	46 031	299 777	18 658	68 069	*2 858	*26,087	–	–	23 499	122 399	35 290	157 184
$13 000 under $14 000	50 378	192 591	16 650	22 482	*18 538	*94 249	**	**	*19 700	*145 074	18 512	95 640
$14 000 under $15 000	29 735	140 879	29 560	123 088	*11 430	*58 429	*2 858	*10 899	*10 321	*77 908	26 564	118 263
$15 000 under $16 000	39 324	271 698	38 557	137 599	*7 930	*53 038	*2 858	*809	*10 302	*37 150	21 298	153 385
$16 000 under $17 000	40 021	166 103	22 431	118 622	*2 858	*33 588			23 059	83 721	26 412	163 948
$17 000 under $18 000	*16 445	*105 673	43,830	258 663	*20	*( )	*2 858	*2 343	24 065	162 952	23 075	118 627
$18 000 under $19 000	35 119	93 392	40 036	215 298	*8 573	*20 026			*12 426	*61 763	40 813	243 022
$19 000 under $20 000	40 969	265 173	46 449	121 021	*7 842	*8 835		-	22 088	146 485	24 023	196 195
$20 000 under $25 000	143 323	1 099 479	175,815	956,841	40 488	238 241	*2 370	*22 514	76 945	643 060	136 833	692,543
$25 000 under $30 000	157 824	1 145 851	142 153	797 391	27 786	61 097	–	–	81 863	936 020	129 704	851 650
$30 000 under $40 000	310 053	2 195 096	301 346	1 338 550	64 288	150 745	*6 552	*33 154	145 233	1 580 165	147 710	1 035 674
$40 000 under $50 000	283 884	3 163 506	329 621	1 522 125	43 324	193 956	*5 608	*17 732	85 878	1 190 802	137 638	703 486
$50 000 under $75 000	444 119	6 024 776	495,332	2,551 906	75 742	386 273	8 911	48 227	90 850	2 082 956	138 044	952 121
$75 000 under $100 000	266 762	5 528 278	285 677	1 985 078	30 998	194 132	4 488	9 551	25 519	677 914	43 038	371 218
$100 000 under $200 000	376 179	15 540 265	366,031	4 317 322	43 528	624 695	12 219	70,060	23 616	674 695	39 299	778,656
$200 000 under $500 000	190 519	18 591 579	177 525	4 684 539	23 805	649 917	7 475	69 760	8 419	696 515	18 509	686 801
$500 000 under $1 000 000	50 025	11 378 161	40 908	2 610,601	6 886	341 519	1 835	33 511	1 964	145 803	4 920	282 484
$1 000 000 or more	31 344	32 750 059	22,026	4 340 979	4 794	1 186 270	1 353	43 461	1 310	250 249	3 188	394 846
Taxable returns, total	**2,672,455**	**99,085,439**	**2,589,940**	**26,827,444**	**462,966**	**4,303,835**	**59,192**	**375,846**	**723,762**	**9,287,350**	**1,044,050**	**8,123,994**
No adjusted gross income	728	168 069	3 886	2 141 300	256	8 719	155	19 542	55	6 981	822	90 524
$1 under $1 000	*2 863	*44	*6	*4 355	–	–	–	–	*2 575	*1 777	**	**
$1 000 under $2 000	*5 715	*4 181	*5,717	*3 436	*14 290	*20 101	–	–	–	–	-	
$2 000 under $3 000	*2 858	*740		–	**2 860	**528		–	*7 726	*10 682		
$3 000 under $4 000	*5 715	*1 223	*2 860	*5 923	**	**		–	*10 301	*20 094	–	
$4 000 under $5 000	*11 430	*12 156	–	–	*2 858	*4 115		–	*2 575	*12 271		
$5 000 under $6 000	*19 275	*81 740	*8 739	*54 319	*5 715	*13 308		–	*10,304	*36,971	**2 577	**833
$6 000 under $7 000	*11 430	*38 420	*7 097	*2 641	*2 858	*16 411			*10,301	*35,767	*7 726	*18 014
$7 000 under $8 000	*24 985	*65 155	*5 715	*10 313	*4 982	*8 281		–	*6 532	*38 428	*2 575	*16 080
$8 000 under $9 000	31 112	79 637	*10 700	*34 742	*2 125	*2 350		–	*10 301	*38 365	*10 302	*35 645
$9 000 under $10 000	*14 653	*38 678	*11 358	*90 815	*2 858	*363			*17 576	*80 942	*13 808	*62 161
$10 000 under $11 000	32 354	138 050	*13 557	*17 673	*11 430	*14 491		–	*7 726	*19 219	34 581	202 686
$11 000 under $12 000	*21 690	*139 379	*9 955	*7 190	*8 573	*14 740		–	*7 726	*41 250	*13 496	*125 545
$12 000 under $13 000	38 929	230 276	*9 338	*35 537	–	–		–	*14 550	*65 062	22 557	93 854
$13 000 under $14 000	29 685	46 459	*10 698	*7 865	*18 538	*94 249	–	–	*10 301	*51 504	*10 488	*54 166
$14 000 under $15 000	22 043	92 888	23 650	96 665	*8 573	*55 803	*2 858	*10 899	*5 150	*30 756	*16 714	*75 894
$15 000 under $16 000	34 341	258 877	32 172	103 076	*3 691	*12 466	*2 858	*809	*10 301	*37 137	19 173	150 924
$16 000 under $17 000	36 064	124 219	22 051	61 040	*2 858	*33 588		–	*19 700	*68 676	23 171	147 247
$17 000 under $18 000	*13 587	*104 276	32 458	141 298	–	–	*2 858	*2 343	*20 109	*157 082	17 903	95 644
$18 000 under $19 000	35 118	93 196	37 235	177 248	*8 573	*20 026	–	–	*12 426	*61 763	38 999	202 660
$19 000 under $20 000	40 302	239 486	40 824	92 816	*7 842	*8 835			*19 512	*109 177	19 291	146 473
$20 000 under $25 000	135 539	1 022 344	162 467	683 360	40 191	236 841	*2 370	*22 514	66 176	452 783	136 830	691 401
$25 000 under $30 000	151 326	1 086,571	136 731	661,015	24 041	39 043		–	72 722	732 012	124 444	761 988
$30 000 under $40 000	309 085	2 151 559	293 897	1 191 813	61 922	132 054	*6 552	*33 154	141 577	1 462 255	145 146	1 008 941
$40 000 under $50 000	283 560	3 156 914	327 122	1 433 066	43 000	192 498	*5 608	*17 732	85 878	1 190 802	**317 609	**2 019 577
$50 000 under $75 000	443 803	5 996 272	492 600	2 443 442	75 057	380 471	8 911	48 227	90 850	2 082 956	**	**
$75 000 under $100,000	266 720	5 525 488	284 423	1 914 424	30 998	194 132	4 488	9 551	25 519	677 914	**	**
$100 000 under $200 000	375 782	15 518 794	364 741	4 179 537	43 442	623 800	11 893	66 826	23 616	674 695	39 293	775 548
$200 000 under $500 000	190 422	18 582 909	177 175	4 569 946	23 773	649 213	7 462	69 255	8 408	696 137	18 460	676 544
$500 000 under $1 000 000	50 008	11 375 603	40 814	2 512 705	6 876	341 245	1 832	33 428	**3 269	**393 889	4 903	277 166
$1 000 000 or more	31 330	32 711 833	21 954	4 149 880	4 788	1 186 165	1 350	41 565	**	**	3 184	394 477
Nontaxable returns, total	**229,674**	**1,833,024**	**407,154**	**17,010,793**	**66,047**	**255,235**	**8,347**	**88,965**	**268,670**	**1,953,736**	**331,045**	**4,293,630**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Unemployment compensation in AGI		Social Security benefits				Foreign earned income exclusion		Other income			
			Total		Benefits in AGI				Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)
All returns, total	**6,974,262**	**11,626,600**	**10,131,920**	**84,453,369**	**4,024,093**	**14,361,470**	**176,376**	**7,072,107**	**6,092,117**	**21,632,636**	**458,651**	**36,454,512**
No adjusted gross income	15 903	35 543	113 662	841 159	2 567	10 143	30 928	1 291 040	34 445	174 306	199 608	31 572 545
$1 under $1 000	*15 679	*17 391	115 433	660 315	*2 126	*286	26 194	653 183	127 872	108 743	*884	*19 255
$1 000 under $2 000	33 558	26 575	140 804	884 647	*2 858	*1 529	*1 202	*81 890	90 710	77 421	*2 049	*29 417
$2 000 under $3 000	80 671	80 127	164 430	1 176 604	—	—	*3 446	*23 256	64 942	112 254	*6 366	*48 115
$3 000 under $4 000	75 689	79 572	187 270	1 442 690	—	—	—	—	92 119	148 886	*7 187	*112 248
$4 000 under $5 000	128 330	157 996	268 986	1 975 753	—	—	*6 660	*70 478	72 551	100 746	*6 182	*114 799
$5 000 under $6 000	145 669	203 929	286 154	1 965 826	—	—	*3 447	*162 100	115 241	277 653	13 301	82 395
$6 000 under $7 000	214 246	298 168	343 600	2 612 933	*2 131	*6 105	*10 345	*435 322	108 086	198 924	*5 537	*73 828
$7 000 under $8 000	202 090	311 679	363 644	2 692 830	*5 716	*7 614	*9 884	*315 300	82 798	165 668	*7 723	*57 654
$8 000 under $9 000	250 661	390 286	453 132	3 632 133	*2 425	*6 793	*6 430	*165 901	122 877	253 590	*4 137	*172 832
$9 000 under $10 000	219 960	395 204	385 036	3 007 921		—	*7 140	*382 199	97 976	224 617	*2 990	*77 804
$10 000 under $11 000	206 331	355 472	344 133	2 724 909	*8 665	*19 358	—	—	92 332	151 157	*3 616	*47 761
$11 000 under $12 000	228 834	432 359	356 610	2 726 702	*5 715	*12 102	*2 858	*15 205	114 112	247 861	13 126	83 994
$12 000 under $13 000	185 317	333 014	310 479	2 501 643	—	—	*6 430	*48 901	61 778	149 143	*4 859	*113 517
$13 000 under $14 000	239 164	437 723	297 417	2 613 862	*8 573	*31 422	*461	*60 722	112 530	195 685	*6 815	*41 483
$14 000 under $15 000	199 579	300 473	289 538	2 387 511	*8 573	*7 178	*3 685	*175 088	95 385	180 669	*5 537	*74 013
$15 000 under $16 000	223 306	405 057	247 373	2 082 041	*8 573	*31 122	*3 685	*268 925	98 327	200 856	*7 450	*75 725
$16 000 under $17 000	189 769	281 463	217 708	1 780 680	*5 715	*2 612	*3 685	*173 822	84 120	130 217	*4 170	*26 369
$17 000 under $18 000	196 121	348 523	212 703	2 011 232	*4 489	*36 493	*3 215	*27 942	83 892	103 426	*6 741	*101 278
$18 000 under $19 000	199 419	321 016	205 892	1 780 300	*8 536	*27 907		—	125 097	361 956	*2 047	*27 950
$19 000 under $20 000	192 208	293 288	189 194	1 690 050	*20 004	*54 287	—	—	95 907	66 467	*5 571	*92 420
$20 000 under $25 000	718 583	1 283 735	769 452	6 139 323	222 008	208 256	*6 510	*213 803	440 977	647 803	19 225	320 731
$25 000 under $30 000	611 814	1 020 291	635 214	5 347 532	483 188	725 863	*6 660	*121 436	419 789	814 822	13 217	146 251
$30 000 under $40 000	1 014 858	1 778 860	1 099 306	9 325 650	1 087 482	3 096 307	7 600	405 634	913 354	1 725 706	25 330	149 088
$40 000 under $50 000	623 390	1 026 514	771 681	6 818 086	771 681	3 272 499	2 995	240 759	669 562	1 422 011	20 833	302 679
$50 000 under $75 000	452 962	811 641	742 751	6 893 045	742 751	3 435 016	5 772	458 190	920 720	2 095 012	30 089	428 066
$75 000 under $100 000	79 370	131 889	264 053	2 699 530	264 053	1 349 409	5 298	368 703	312 111	1 117 621	10 201	170 735
$100 000 under $200 000	26 975	58 618	242 934	2 611 341	242 933	1 305 627	8 302	630 890	283 569	2 424 351	12 324	416 081
$200 000 under $500 000	3 058	8 162	84 770	1 052 790	84 770	526 380	2 614	196 625	111 625	2 529 461	7 063	405 191
$500 000 under $1 000 000	571	1 509	18 078	229 409	18 078	114 701	677	61 171	29 003	1 404 996	2 674	343 012
$1 000 000 or more	175	522	10 483	144 924	10 483	72 460	253	23 623	18 311	3 820 609	1 800	727 277
Taxable returns, total	**5,606,645**	**9,477,094**	**8,088,780**	**68,398,690**	**3,990,098**	**14,269,399**	**75,501**	**3,552,450**	**5,375,314**	**19,814,127**	**182,456**	**7,819,050**
No adjusted gross income	*19	*19	80	1 081	*7	*76	—	—	329	14 147	3 079	4 429 692
$1 under $1 000	*2 858	*1 572	*22 862	*101 047	**	**	—	—	94 301	74 463	**13	**8 548
$1 000 under $2 000	*5 715	*4 555	*17 146	*90 869	—	—	—	—	*22 861	*17 697	**	**
$2 000 under $3 000	*8 573	*5 864	*8 573	*55 537	—				31 151	37 304		
$3 000 under $4 000	*5 715	*6 652	*14 288	*106 446	—	—		—	28 576	35 666		
$4 000 under $5 000	*5 715	*4 415	*4 982	*33 602	—	—	—	—	*17 146	*18 637		
$5 000 under $6 000	68 582	103 562	102 879	647 257	—				76 587	169 375	*7 847	*38 520
$6 000 under $7 000	82 870	97 618	183 545	1 170 673	**2 126	**6 099		—	49 690	71 024		
$7 000 under $8 000	78 547	161 428	193 960	1 307 289	*2 858	*1 266	*3 215	*20 390	35 683	57 805	*2 125	*14 510
$8 000 under $9 000	122 144	183 698	223 814	1 463 953	*2 126	*5 743			56 419	101 364	*3	*5 267
$9 000 under $10 000	120 678	223 462	213 643	1 458 040	-		*3 455	*193 022	48 843	72 182		
$10 000 under $11 000	98 550	159 791	304 403	2 420 997	*8 573	*18 903	—		58 955	58 709	*2 231	*8 927
$11 000 under $12 000	136 733	240 565	326 233	2 512 090	*2 858	*8 921	*2 858	*15 205	92 477	168 661	*2 789	*25 636
$12 000 under $13 000	126 110	229 176	282 918	2 291 831			*6 430	*48 901	43 522	115 611	*3 153	*37 053
$13 000 under $14 000	147 787	221 080	280 271	2 492 819	*8 573	*31 422	*230	*23 105	93 211	155 339	*2 576	*1 963
$14 000 under $15 000	156 067	208 171	270 268	2 182 830	*8 573	*7 178	*3 685	*175 088	86 812	151 810	*5 222	*35 458
$15 000 under $16 000	198 320	349 825	235 279	1 998 337	*8 573	*31 122	*3 685	*268 925	78 478	158 054	*7 430	*69 688
$16 000 under $17 000	170 499	265 360	207 755	1 712 789	*5 715	*2 612	*3 685	*173 822	73 213	81 662	*2 126	*43
$17 000 under $18 000	171 869	327 081	201 555	1 913 439	*4 489	*36 493	*3 215	*27 942	82 511	103 375	*3 526	*16 493
$18 000 under $19 000	189 455	299 890	197 318	1 729 252	*8 535	*27 903		—	120 114	344 487	*2 047	*27 950
$19 000 under $20 000	192 208	293 288	185 127	1 669 765	*20 004	*54 287			91 652	64 598	*4 905	*72 268
$20 000 under $25 000	705 124	1 253 907	758 217	6 059 182	216 488	205 114	*6 510	*213 803	428 716	585 378	14 427	203 674
$25 000 under $30 000	611 814	1 020 291	632 064	5 325 040	480 823	718 166	*6 660	*121 436	411 995	746 871	11 864	59 314
$30 000 under $40 000	1 014 194	1 776 976	1 094 574	9 297 022	1 082 751	3 082 616	7 370	386 666	909 285	1 680 834	23 557	92 222
$40 000 under $50 000	623 390	1 026 514	766 652	6 761 912	766 652	3 245 609	2 304	184 012	668 800	1 384 206	19 895	257 521
$50 000 under $75 000	452 962	811 641	740 797	6 862 847	740 797	3 419 917	5 311	428 686	919 988	2 073 772	29 789	412 679
$75 000 under $100 000	79 370	131 889	264 050	2 699 490	264 050	1 349 388	5 298	368 703	311 905	1 116 991	10 157	165 796
$100 000 under $200 000	26 975	58 618	242 316	2 607 523	242 315	1 303 718	8 072	622 986	283 351	2 421 562	12 288	407 094
$200 000 under $500 000	**3 626	**9 661	84 683	1 051 809	84 683	525 889	**3 266	**256 134	111 487	2 516 781	6 976	392 236
$500 000 under $1 000 000	**	**	18 058	229 163	18 058	114 578	**	**	28 969	1 400 014	2 655	335 411
$1 000 000 or more	175	522	10 473	144 762	10 473	72 379	253	23 623	18 288	3 815 746	1 777	701 085
Nontaxable returns, total	**1,367,617**	**2,149,507**	**2,043,140**	**16,054,679**	**33,995**	**92,071**	**100,875**	**3,519,657**	**716,803**	**1,818,509**	**276,195**	**28,635,463**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments											
	Total		Employee business expense		Total deductible IRA payments		Payments to a Keogh plan		Forfeited interest penalty		Alimony paid	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)
All returns, total	**10,747,370**	**28,201,888**	**1,394,080**	**4,246,522**	**6,361,421**	**11,881,754**	**814,586**	**6,626,908**	**775,773**	**181,278**	**587,022**	**4,183,246**
No adjusted gross income	64 733	190 615	4 404	63 823	13 926	29 258	974	2 310	8 346	1 851	5 958	71 604
$1 under $1 000	19 671	8 914	–		*4 274	*5 325		–	*8 573	*654	–	
$1 000 under $2,000	37 371	38 099	*1,381	*16 639	*10 697	*12,726	–	–	*9 237	*1 597		
$2 000 under $3,000	39 867	42,011	*4 249	*1,963	20 220	32 634		–	*8 573	*4 452		
$3 000 under $4 000	44 146	80 120	*5 715	*29 236	25 976	45 762	–	–	*4 239	*755	–	
$4 000 under $5,000	69 627	69 721	*5,715	*17 766	26 297	34 463	*2 125	*642	*13 555	*1 595	*2 858	*4 458
$5,000 under $6,000	62 350	82,423	*8,573	*7,767	24 256	42 604	–	–	*5 715	*612	*756	*18 426
$6 000 under $7,000	124 036	139,016	*2 858	*366	64 448	101,485	*3 506	*6,394	*22 129	*7 198	*7,107	*13 287
$7 000 under $8,000	104 687	147 543	*4,982	*18,034	47,841	84 152	*3 505	*4 001	*16 413	*1 352	*2 858	*18 946
$8 000 under $9 000	146 343	189,357	*13,581	*26 646	60 994	97 217	*4 249	*4 750	33 558	5 173	*10,697	*37 013
$9 000 under $10 000	151 978	209 901	*9 771	*41,019	73,942	105 143	*1 381	*11 826	32 083	7 533	*5,715	*28 290
$10 000 under $11,000	159,783	218,758	*8,573	*16,554	81 926	140 259	–	–	27 858	3 540	*7 934	*35 690
$11,000 under $12 000	151,113	218,333	*16,327	*33,918	101 592	163,074	–	–	*12,822	*1 386	*3,845	*3 966
$12,000 under $13 000	174 161	291 148	*2,858	*14,625	105,044	197,565	*6 824	*11,521	*14 946	*1 880	*9,964	*45,010
$13,000 under $14 000	151 220	188 168	*9 231	*19 513	74,068	115,731	*6,374	*10,943	*20,003	*3,572	*10,697	*24 899
$14 000 under $15 000	151 038	250 024	*14 815	*35,472	79,225	141,262	*2 125	*9,879	*16 130	*3 534	*8 573	*47 065
$15,000 under $16 000	157 039	215 491	*5,715	*19,177	113 353	162 987	*8 915	*8 560	*5 715	*780	*2 355	*11 303
$16,000 under $17 000	182 144	327,989	*13 780	*59 557	122,302	197,994	*3,505	*7 521	*11 430	*4 289	*8 080	*44 881
$17,000 under $18,000	186 600	284,882	25,644	58,990	101,697	179 661	*2,858	*1,995	*17,793	*1 444	*4,056	*23,238
$18 000 under $19,000	201 020	373 917	*19 593	*58 295	128,414	234 795	*3 521	*1,478	*15,781	*6 320	*9 915	*55,280
$19 000 under $20,000	224 853	387 168	*15 824	*60,504	138,612	222 445	*13 177	*26,726	*7,840	*422	*15 331	*52 928
$20 000 under $25,000	1 128,074	2 143 337	114 189	354 545	809 011	1 404 584	24 341	70,733	58 419	13 478	39 973	207 086
$25,000 under $30 000	1 113 557	2 177,899	121 756	370,982	796 739	1 406,160	32 213	117 972	67 490	17,514	33 083	166 808
$30,000 under $40,000	1,923,296	3 897 606	211,260	592,548	1 386,775	2,609 135	72,328	245,806	91,872	12,139	85 753	325,791
$40,000 under $50,000	1 424 461	2 578 620	208 982	465,699	960,626	1 460,076	66,993	217,099	91,123	19,099	70 243	323 447
$50 000 under $75,000	1,267 233	3,921 927	296 083	886 979	529 227	1,331 761	177 447	901,732	93,757	15,839	101 230	625,478
$75 000 under $100 000	523,147	2 497 490	122 231	433,920	198,002	557 165	119 473	975 568	27,657	4 788	52 027	466,021
$100,000 under $200 000	525,112	3,860 411	99,233	399,403	186 403	540,151	170,761	2 138,669	24,826	26 940	51 645	652 289
$200 000 under $500 000	183 656	2,253,227	21 770	97,786	58 461	176,066	69 863	1 399 901	5,548	8 852	26,279	527,289
$500 000 under $1 000,000	35 919	557,516	3 582	29 548	11,256	33 594	12,153	294 447	1,537	1,290	6,201	188,082
$1 000 000 or more	19 133	360,259	1 407	15 251	5 816	16,520	5,977	156 438	805	1,399	3 889	164 670
Taxable returns, total	**9,958,592**	**26,937,490**	**1,333,104**	**3,961,205**	**6,084,195**	**11,403,854**	**794,071**	**6,562,153**	**649,953**	**156,382**	**558,726**	**3,944,478**
No adjusted gross income	1 401	8 864	*54	*152	328	800	43	441	117	35	210	7 287
$1 under $1,000	*2,863	*246	–	–	*5	*20	–	–	*2,858	*226	–	–
$1 000 under $2 000	*14 288	*7 636	–	–	*5,715	*6,310	–	–	*8,573	*1,326	–	–
$2 000 under $3 000	*2 858	*17	–	–	–	–	–	–	*2,858	*17	–	–
$3 000 under $4 000	*5 715	*10,802	–	–	*5 715	*10 802	–	–	–	–	–	–
$4,000 under $5 000	*8 573	*5 967	*2 858	*4 278	*2 858	*1 429	–	–	*2 858	*260	–	–
$5,000 under $6 000	23 974	32 443	*5,715	*5,887	*13,558	*25 684	–	–	–	–		
$6,000 under $7,000	81,056	88,783	*2,858	*366	43 898	69 042	*1 382	*4,643	*14,289	*6,070	*4 982	*5,214
$7 000 under $8,000	54,060	61 515	*2,858	*2,315	*20 662	*29,240	*2 125	*2,526	*8,573	*800	*2,858	*18 946
$8 000 under $9 000	87 174	125 426	*5,715	*8,613	42 092	62,077	*4 249	*4 750	*17 146	*1 857	*10,697	*37 013
$9 000 under $10,000	88 981	104 257	*2 858	*817	51 813	74 001	–	–	*11 430	*2 143	*2 858	*18 003
$10 000 under $11,000	111 544	166 399	*2 858	*9,999	59 791	109,704	–	–	25,001	3 183	*7 840	*33,502
$11 000 under $12,000	108 956	166 148	*14,203	*30,321	81 705	130,588	–	–	*10,697	*1,048	*3,180	*1,121
$12,000 under $13 000	138,913	243,960	*2,858	*14 625	92,317	171,578	*4 700	*9 361	*9 964	*1,471	*7,840	*33,893
$13 000 under $14 000	125 195	152,645	*6,374	*15 798	68 353	103,586	*4 249	*6,694	*14 288	*1 835	*8,573	*14,277
$14 000 under $15 000	118 546	232 463	*11 958	*30 585	74 668	134 648	*2 125	*9 879	*7 840	*3 063	*8 573	*47,065
$15 000 under $16,000	145 684	193,570	*2 858	*503	113 353	162,987	*8 915	*8,560	*5 715	*780	*2 355	*11,303
$16 000 under $17 000	171 236	289,523	*11,356	*28 671	119 514	193 098	*3 505	*7,521	*11,430	*4 289	*8,080	*44,881
$17 000 under $18 000	173 658	279,555	25,644	58 990	98 839	176,804	*2 858	*1 995	*13,555	*871	*4 056	*23,238
$18,000 under $19 000	195 864	356,013	*19,270	*57,342	127 033	234 740	*2 858	*160	*15 780	*6 316	*9 252	*40,944
$19 000 under $20 000	213 870	365 478	*15 824	*60 504	136 568	214 957	*8 938	*20 868	*7,840	*422	*11,825	*46,172
$20 000 under $25 000	1 101 841	2,063 374	111 160	340 686	803 133	1 388 613	23 678	69 406	58 419	13 478	37 927	168 064
$25 000 under $30,000	1 102,286	2,154 837	121 756	370,982	791 897	1 391,827	32,212	117,972	67,490	17 514	33 083	166 808
$30,000 under $40 000	1 905,855	3,854 960	211,260	592,548	1,381 896	2 599 112	69 983	220,997	88,010	11,233	85 517	323,420
$40,000 under $50,000	1 422,502	2 554,501	208 522	464 430	960 626	1 460,076	66 692	211,249	91,123	19,099	68 584	306,448
$50 000 under $75,000	1 266 445	3 907 658	296 083	886 979	528 833	1,330,973	177 447	901,732	93,756	15,833	100 746	612,003
$75 000 under $100,000	522 452	2 494 772	122 231	433 920	197 695	556 172	119 380	974 582	27 657	4 788	52 027	466 021
$100,000 under $200,000	524 241	3 848 221	99 226	399 396	185 835	538,900	170 761	2,138,669	24 819	26 920	51 345	641,377
$200,000 under $500 000	183,555	2 251 106	**26 752	**142 501	58 434	175,998	69 848	1 399 335	5,533	8,831	26 249	526 024
$500 000 under $1,000,000	35 891	556,502	**	**	11,250	33,581	**18,126	**450,814	**2 336	**2 673	6 189	187,156
$1 000,000 or more	19 116	359,849	**	**	5,812	16,510	**	**	**	**	3,882	164 298
Nontaxable returns, total	**788,778**	**1,264,398**	**60,976**	**285,317**	**277,225**	**477,900**	**20,515**	**64,755**	**125,820**	**24,896**	**28,296**	**238,768**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments—Continued				Basic standard deduction		Additional standard deduction		Total itemized deductions		Exemptions	
	Self-employed health insurance		Other adjustments									
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)
All returns, total	**1,885,153**	**884,304**	**57,483**	**121,874**	**76,471,827**	**280,341,390**	**10,292,748**	**9,222,833**	**31,902,985**	**395,216,456**	**221,884,006**	**430,771,177**
No adjusted gross income	33 762	15 629	113	6 102		—					1 684 028	3 206 306
$1 under $1 000	*9 349	*2 445			3 089 413	4 922 038	104 363	86 430	11 128	123 069	1 712 423	3 280 048
$1 000 under $2 000	*18 181	*2 137			3 822 368	8 376 046	146 828	125 744	26 891	203 900	2 563 181	4 971 634
$2 000 under $3 000	*7 125	*2 063			3 517 316	9 982 759	164 227	136 991	39 229	346 691	2 873 615	5 538 541
$3 000 under $4 000	*14 580	*4 367			3 251 255	10 372 589	242 977	203 598	72 284	399 099	3 134 738	6 060 034
$4 000 under $5 000	16 221	9 170	*2 858	*572	3 042 995	10 087 356	325 076	274 081	48 711	483 627	3 598 466	6 958 555
$5 000 under $6 000	23 717	7 205	*2 125	*5 808	2 962 068	10 006 851	418 648	341 305	103 255	845 243	3 765 673	7 302 502
$6 000 under $7 000	36 078	10 241			3 003 631	10 506 440	533 791	439 280	109 549	837 363	4 570 929	8 872 889
$7 000 under $8 000	29 260	9 502	*6 215	*11 556	2 944 998	10 574 567	519 180	452 533	177 404	1 408 511	4 949 457	9 609 022
$8 000 under $9 000	31 762	11 498	*2 858	*6 981	2 878 011	10 368 948	587 533	522 669	144 502	1 154 109	4 841 635	9 357 247
$9 000 under $10 000	45 777	16 078			2 797 805	10 267 908	571 443	503 840	162 832	1 391 588	5 051 394	9 741 119
$10 000 under $11 000	44 130	20 050	*1 381	*2 665	2 674 427	9 966 330	489 415	439 813	165 986	1 627 940	4 823 394	9 351 545
$11 000 under $12 000	41 191	15 989			2 492 199	9 411 419	532 196	485 188	194 846	1 528 264	4 813 091	9 334 775
$12 000 under $13 000	43 473	19 480			2 479 036	9 342 654	439 353	390 786	232 946	1 733 308	4 824 185	9 353 851
$13 000 under $14 000	34 363	11 516	*2 858	*1 995	2 539 831	9 693 575	448 022	400 536	250 908	1 832 900	5 252 863	10 187 529
$14 000 under $15 000	38 688	12 812			2 274 070	8 614 280	321 517	295 571	338 746	2 626 269	4 855 285	9 420 168
$15 000 under $16 000	33 699	12 252			2 259 972	8 577 330	357 408	326 508	310 493	2 376 045	4 865 181	9 419 208
$16 000 under $17 000	35 784	11 896	*2 125	*327	2 024 473	7 897 181	319 791	290 687	330 678	2 396 704	4 742 545	9 205 919
$17 000 under $18 000	44 050	17 906			2 087 811	8 205 300	315 132	293 378	359 017	2 668 219	4 998 964	9 704 792
$18 000 under $19 000	25 900	10 523	*4 982	*5 303	1 868 080	7 436 039	310 773	289 074	316 003	2 480 903	4 512 735	8 777 335
$19 000 under $20 000	43 656	13 492	*2 858	*6 595	1 763 290	6 923 820	270 163	249 517	365 607	2 619 775	4 288 897	8 319 921
$20 000 under $25 000	183 087	84 780	*7 096	*3 839	7 120 492	28 952 780	865 046	807 749	2 119 585	16 033 227	19 993 050	38 838 356
$25 000 under $30 000	151 093	69 538	*6 193	*19 033	5 029 416	21 396 526	518 962	456 645	2 459 551	19 210 943	17 969 036	34 865 439
$30 000 under $40 000	240 185	103 717	*4 729	*785	5 929 320	26 586 485	639 780	591 341	6 001 876	52 603 466	31 683 782	61 589 310
$40 000 under $50 000	158 898	71 925	*1 327	*3 277	2 731 748	12 873 593	424 244	403 231	5 524 611	54 529 617	23 850 432	46 384 965
$50 000 under $75 000	240 265	127 332	*5 241	*18 337	1 532 590	7 345 210	294 455	282 452	7 367 772	90 065 954	26 741 839	52 066 549
$75 000 under $100 000	95 577	52 242	*1 918	*2 973	240 238	1 128 179	83 553	85 017	2 280 238	38 957 294	7 470 231	14 549 888
$100 000 under $200 000	116 699	81 752	2 205	18 741	95 030	435 587	40 119	39 206	1 682 932	42 219 155	5 306 867	10 325 428
$200 000 under $500 000	46 040	36 975	601	3 807	16 775	75 806	7 455	7 397	531 688	24 111 676	1 636 005	3 184 713
$500 000 under $1 000 000	9 313	8 485	148	1 811	2 348	10 339	1 087	1 091	112 433	9 765 330	336 788	655 995
$1 000 000 or more	4 652	4 156	154	1 365	821	3 402	311	285	61 231	18 636 268	173 296	337 596
Taxable returns, total	**1,558,083**	**741,815**	**47,771**	**92,168**	**56,414,729**	**207,271,169**	**7,969,955**	**7,107,750**	**30,370,549**	**373,923,491**	**177,285,900**	**344,414,520**
No adjusted gross income	704	132	*5	*14		—	—		—		13 073	25 025
$1 under $1 000	—		—	—	904 845	531 751	*5 716	*4 288	**12	**942	**8 607	**16 784
$1 000 under $2 000		—	—	—	1 084 347	1 073 791	—		**	**	**	**
$2 000 under $3 000	—			—	884 236	1 703 708	*2 858	*2 143	—	—	*2 858	*5 572
$3 000 under $4 000		—		—	1 322 448	3 663 047	*2 858	*3 429	*11 432	*15 587	*13 567	*19 550
$4 000 under $5 000		—	—	—	931 071	2 643 938	*2 858	*2 143	—	—	100 317	178 764
$5 000 under $6 000	*4 703	*873	—	—	1 955 082	5 741 429	102 879	76 301	*13 063	*48 292	1 313 386	2 550 526
$6 000 under $7 000	*18 631	*3 448	—	—	1 966 271	5 790 643	329 677	246 939	36 417	106 362	1 624 795	3 153 211
$7 000 under $8 000	*14 128	*4 362	*2 858	*3 326	1 836 688	5 439 996	296 833	232 055	67 041	273 992	1 712 906	3 325 218
$8 000 under $9 000	*13 648	*4 134	*2 858	*6 981	1 865 409	5 617 859	329 827	256 952	57 533	258 107	1 883 864	3 645 899
$9 000 under $10 000	28 971	9 280			1 824 552	5 747 356	331 538	253 630	74 001	373 134	2 018 307	3 911 051
$10 000 under $11 000	23 826	10 012		—	1 925 013	6 489 057	435 027	382 781	82 708	411 567	2 392 724	4 635 719
$11 000 under $12 000	*11 260	*3 071			1 803 461	6 213 242	506 101	460 981	98 617	492 807	2 393 212	4 640 814
$12 000 under $13 000	28 059	11 966	—		1 922 397	6 751 270	430 780	383 928	144 223	846 930	2 747 159	5 306 375
$13 000 under $14 000	24 750	8 462	*2 858	*1 995	2 005 298	7 177 649	435 898	391 118	178 504	1 044 500	3 094 987	5 992 057
$14 000 under $15 000	21 882	7 224		—	1 935 537	7 000 907	315 841	292 165	240 685	1 358 090	3 235 825	6 263 078
$15 000 under $16 000	25 201	9 006			2 083 900	7 751 138	357 308	326 508	250 770	1 573 572	3 892 629	7 523 877
$16 000 under $17 000	27 964	9 212	*2 125	*327	1 912 220	7 367 061	319 791	290 687	269 727	1 588 357	3 930 724	7 622 926
$17 000 under $18 000	37 205	16 011			2 020 610	7 879 582	315 132	293 378	312 391	1 991 395	4 490 610	8 713 502
$18 000 under $19 000	23 731	9 286	*4 982	*5 303	1 845 926	7 328 701	310 773	289 074	273 844	1 760 574	4 281 320	8 326 075
$19 000 under $20 000	41 081	11 903	*2 858	*6 595	1 743 551	6 828 552	267 587	247 972	342 070	2 265 463	4 116 826	7 984 488
$20 000 under $25 000	164 380	74 997	*7 096	*3 839	7 081 919	28 759 921	865 045	807 748	2 020 609	14 170 501	19 367 858	37 620 174
$25 000 under $30 000	144 747	66 419	*6 110	*13 483	5 018 000	21 339 450	518 179	456 175	2 414 978	18 297 549	17 736 606	34 413 029
$30 000 under $40 000	**244 239	**43 429	*4 729	*785	5 922 895	26 561 467	636 229	588 678	5 947 470	50 862 193	31 467 215	61 168 323
$40 000 under $50 000	**	**	*1 327	*3 277	2 731 518	12 872 442	424 244	403 231	5 509 880	54 003 013	23 818 445	46 322 654
$50 000 under $75 000	**	**	*5 241	*18 337	1 532 590	7 345 210	294 455	282 452	7 360 772	89 699 462	26 718 313	52 021 948
$75 000 under $100 000	**	**	*1 623	*2 235	240 238	1 128 179	83 553	85 017	2 278 225	38 730 018	7 464 498	14 538 966
$100 000 under $200 000	**	**	2 205	18 741	94 794	434 435	40 119	39 206	1 681 008	41 925 826	5 301 588	10 315 226
$200 000 under $500 000	45 018	36 996	**898	**6 928	**19 091	**86 007	**8 850	**8 772	531 116	23 883 037	1 634 248	3 181 346
$500 000 under $1 000 000	9 308	8 479	**	**	**	**	**	**	112 310	9 624 310	336 443	655 340
$1 000 000 or more	4 644	4 156	**	**	816	3 380	**	**	61 144	18 317 909	172 988	337 004
Nontaxable returns, total	**327,070**	**142,488**	**9,712**	**29,706**	**20,057,099**	**73,070,221**	**2,322,793**	**2,115,083**	**1,532,436**	**21,292,965**	**44,598,106**	**86,356,657**

Footnotes at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxable income		Income tax before credits		Tax credits							
					Total		Child care credit		Credit for the elderly and disabled		Earned income credit used to offset income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(111)	(112)	(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)	(122)
All returns, total	**90,281,729**	**2,069,966,980**	**90,218,979**	**418,889,165**	**14,099,023**	**7,047,140**	**9,023,458**	**3,812,849**	**356,973**	**68,904**	**4,782,148**	**1,102,392**
No adjusted gross income	—	—	20	1 714	17	999	†	†	†	†	—	—
$1 under $1 000	908 395	171 676	908,395	30 737	*3 551	**11	—	—	—	—	—	—
$1,000 under $2 000	1 100,026	521,009	1,084,347	89 217	—	—	—	—	—	—	—	—
$2,000 under $3 000	902,773	523 268	884,236	83,827	*3,551	*50	—	—	—	—	—	—
$3,000 under $4 000	1 350 291	1,003 911	1 341 718	157 216	—	—	—	—	—	—	—	—
$4 000 under $5,000	958 181	1 465 756	952 465	238 887	*2,858	*91	—	—	—	—	*2,858	*91
$5,000 under $6,000	2 014 188	2,538 631	2,007,814	377,909	31,177	1,601	—	—	†	†	*2,125	*266
$6,000 under $7,000	2 077,362	3,871 192	2 072,380	573,071	68,261	5,221	†	†	42,582	4,264	*19,270	*830
$7,000 under $8,000	1 947 337	5,160 613	1,955,166	802 363	66,823	12 725	*8,573	*1,497	42,582	8 186	*15,669	*3,041
$8,000 under $9 000	2 125 884	6 948 561	2 123,477	1 038 843	209 110	25 246	39,273	5,490	30,701	6 593	127,051	10 108
$9 000 under $10 000	2,226 295	8 384,854	2 220 580	1 237,474	340 600	70 490	82,870	18 452	37,149	8,067	219,886	40,728
$10 000 under $11,000	2,395,628	10 014 776	2 393,504	1,497,949	428,224	116 419	155,702	41,478	32,127	8,309	247 729	64,338
$11,000 under $12 000	2 412 908	11,166 801	2 410,051	1,665 804	537,954	148,116	132,108	38,887	31,434	5 464	410,353	101,280
$12 000 under $13 000	2 515 948	13,788,050	2,515,948	2,053 131	565,606	223,535	169 182	63,001	*22,128	*7,293	455 534	151 606
$13,000 under $14 000	2 621 728	16 191 091	2 621 728	2 426 212	670,650	297,274	225,318	92,707	*20,003	*3 601	561,083	192,450
$14 000 under $15,000	2 479,865	17 629 360	2,479,865	2 656,983	661,337	277 314	217,751	85,110	*20,003	*4 158	556,204	180,848
$15 000 under $16 000	2 524 212	19,880 825	2 524,212	2,974 001	707 591	267 551	220,544	89,609	*8,573	*1,566	622,553	169 801
$16 000 under $17 000	2 272 637	19 726 608	2,272,637	2,953,040	645,868	209 684	197,501	89 466	*16,413	*2,040	561,250	109 465
$17 000 under $18 000	2 411 339	22 368,519	2,411 339	3 406,074	741 200	186,479	233 158	105,928	*5,715	*1,815	656 765	67 530
$18 000 under $19 000	2 153 194	21,824 217	2 153,193	3 270,520	463 654	105 942	183 374	82,451	*14 006	*3 611	323 819	10 009
$19 000 under $20 000	2 118,102	23,777,890	2,118,102	3,568,597	210,637	107,093	186 639	89,930	—	—	—	—
$20 000 under $25 000	9 191,617	123,752 465	9,191,617	18 784,182	1,055,909	517,737	1,006,830	485,054	*8,573	*2,943	—	
$25,000 under $30,000	7 485 237	130,581,872	7 487 602	20,800,807	992,579	450 806	932,179	394,048	—	—	—	—
$30 000 under $40,000	11 920,216	274 610 363	11,920,216	44 969 102	1,843,807	858,593	1 710,471	684 950	—	—	—	—
$40 000 under $50,000	8,253,967	255 121,323	8,253,967	43 378,372	1 406,791	635,195	1,332 605	540 964	—	—	—	—
$50,000 under $75,000	8,897,248	383,088,855	8,897,248	75,066,459	1,581,207	763,206	1,453,210	636,607	—	—	—	—
$75 000 under $100,000	2,518,150	159,574,120	2,518,150	35 951,398	422,410	320,489	332,974	163,727	—	—	—	—
$100,000 under $200,000	1,775,165	183 252 229	1 775,165	48 068 237	289,856	420,277	165 175	83,943	—	—	—	—
$200,000 under $500,000	547 352	134,674 810	547,351	38,783,273	100,901	336,653	29,812	16,291	—	—	—	—
$500 000 under $1,000,000	114,575	67,559 945	114,577	19,265,596	27,949	224 994	4 087	2,387	—	—	—	—
$1,000 000 or more	61 910	150,793 390	61,910	42,718,170	18,943	463,350	1,263	747	—	—	—	—
Taxable returns, total	**87,088,935**	**2,061,956,733**	**87,120,997**	**417,702,725**	**11,001,040**	**5,860,700**	**7,855,108**	**3,360,772**	**227,272**	**42,239**	**2,684,462**	**638,925**
No adjusted gross income	—	—	**904,863	**32,433	**21 407	**1 986	†	†	†	†	—	—
$1 under $1,000	896,271	171,576	**	**	—	—	—	—	—	—	—	—
$1,000 under $2,000	1,084,347	517,517	1,084,347	89,217	—	—	—	—	—	—	—	—
$2,000 under $3,000	881 379	498 747	884 236	83 827	**	**	—	—	—	—	—	—
$3 000 under $4 000	1 338 860	986 471	1,341,718	157 216	—	—	—	—	—	—	—	—
$4 000 under $5,000	946,750	1 456,532	949,608	238,795	—	—	—	—	—	—	—	—
$5 000 under $6,000	1 979,495	2,509 815	1,979,495	376,374	**	**	—	—	†	†	—	—
$6,000 under $7,000	2 019 101	3,832,068	2,019,101	568,728	**	**	—	—	*11 430	*874	—	—
$7,000 under $8,000	1 905,206	5 080 138	1 915 160	794,390	26 817	4,752	—	—	*25 436	*3,545	*1,381	*1,207
$8,000 under $9,000	1 938,165	6 737,596	1,940,741	1,016,115	*26,373	*2,518	—	—	*19 270	*2 327	—	—
$9,000 under $10,000	1 911,374	7,872 207	1,911,374	1 171,985	31 394	5,000	†	†	*20,003	*2,426	*2,125	*283
$10 000 under $11,000	2,023,012	9,330 936	2,023 012	1 397,111	57 732	15,581	*7,840	*3 706	*23,555	*6,712	*17,071	*4,873
$11 000 under $12,000	1,916,069	10,254 744	1,916 069	1 532,722	43,973	15,033	*7,840	*3 467	*22,861	*3 403	*13,555	*7,707
$12 000 under $13,000	2,079 875	12 742,359	2,079 875	1,896,180	129 533	66,583	*13,555	*7 030	*14,288	*4 461	101,333	54 923
$13,000 under $14 000	2,195,156	15,019 043	2 195,156	2,251,069	244,079	122,132	40,665	11,356	*14,288	*2,292	214 861	105 824
$14,000 under $15 000	2 189,554	16,818 013	2,189,554	2 535,272	371 027	155 602	58,543	20,157	*20,003	*4,158	335,851	129,858
$15 000 under $16 000	2 362 431	19 454 549	2,362,431	2,910,316	545,810	203 865	131,375	48 534	*8,573	*1,566	520,637	153 174
$16 000 under $17 000	2 193 734	19 414 654	2 193 734	2 906 298	566 965	162,942	144 673	53,285	*16,413	*2 040	524 909	105,135
$17 000 under $18,000	2,342 945	22 156 085	2,342 945	3 374 177	672 806	154 583	189 918	83,023	*5,715	*1 815	628,922	65,933
$18,000 under $19,000	2,131 774	21,712,972	2 131,773	3 253,846	442,234	89 268	167,695	71,231	*14,006	*3 611	323,819	10,009
$19,000 under $20,000	2 098,348	23 635 046	2 098 348	3,547,182	190 884	85 678	175,208	78,832	—	—	—	—
$20 000 under $25 000	9 140,158	123,509 540	9 140 158	18 748 038	1 004 450	481 593	973 437	467,819	*8,573	*2,943	—	—
$25 000 under $30,000	7 459 032	130,308 553	7 461,397	20 759 835	966,374	409 834	919 848	386,494	—	—	—	
$30,000 under $40 000	11,895,037	274,212,100	11,895 037	44 904 945	1 818,628	794,435	1,700,336	680,869	—	—	—	—
$40,000 under $50 000	8 248 966	254 956 048	8 248 966	43 350 966	1 401,791	607 788	1,332 605	540 964	—	—	—	—
$50 000 under $75,000	8 895 457	383 057 897	8 895 457	75 061 611	1 579 415	758 358	**1 980 506	**899 967	—	—	—	
$75 000 under $100 000	2 518 146	159 573 901	2,518 146	35,951,349	422 406	320,441	**	**	—	—	—	—
$100 000 under $200,000	1 774 587	183 184 673	1,774 587	48,049 897	289 278	401,937	**	**	—	—	—	—
$200 000 under $500,000	547 249	134 655 949	547,251	38,777 547	100,801	330,927	**	**	—	—	—	—
$500 000 under $1 000 000	114 562	67 552 225	114 564	19 262 808	27,936	222 206	4 087	2 387	—	—	—	
$1 000 000 or more	61 896	150 744 777	61 896	42 702 478	18 929	447 658	1 263	747		—		
Nontaxable returns, total	**3,192,794**	**8,010,247**	**3,097,982**	**1,186,441**	**3,097,982**	**1,186,441**	**1,168,349**	**452,077**	**129,701**	**26,665**	**2,097,685**	**463,467**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits—Continued						Income tax after credits		Alternative minimum tax		Total income tax	
	Foreign tax credit		General business credits		Minimum tax credit							
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(123)	(124)	(125)	(126)	(127)	(128)	(129)	(130)	(131)	(132)	(133)	(134)
All returns, total	**559,217**	**1,087,203**	**364,169**	**718,209**	**26,393**	**203,264**	**87,120,969**	**411,842,025**	**113,562**	**1,027,884**	**87,135,332**	**412,869,909**
No adjusted gross income	*6	*3	*13	*975	†	†	14	715	5,940	108,122	5,952	108,837
$1 under $1,000	*3,551	*11	—	—	—	—	904,844	30,726	*11	*314	904,855	31,040
$1,000 under $2,000	—	—	—	—	—	—	1,084,347	89,217	**4	**166	1,084,349	89,331
$2,000 under $3,000	*3,551	*50	—	—	—	—	884,236	83,777	—	—	884,236	83,777
$3,000 under $4,000	—	—	—	—	—	—	1,341,718	157,216	**	**	1,341,720	157,267
$4,000 under $5,000	—	—	—	—	—	—	949,608	238,795	—	—	949,608	238,795
$5,000 under $6,000	—	—	*4,067	*341	—	—	1,979,495	376,308	**8	**148	1,979,501	376,454
$6,000 under $7,000	*3,551	*4	—	—	—	—	2,019,101	567,850	**	**	2,019,102	567,852
$7,000 under $8,000	—	—	—	—	—	—	1,915,160	789,638	—	—	1,915,160	789,638
$8,000 under $9,000	*7,103	*192	*7,840	*2,863	—	—	1,940,741	1,013,597	*5	*86	1,940,746	1,013,683
$9,000 under $10,000	*3,551	*1,389	*2,859	*1,855	—	—	1,911,374	1,166,984	—	—	1,911,374	1,166,984
$10,000 under $11,000	*7,103	*85	*17,691	*2,209	—	—	2,023,012	1,381,529	*106	*423	2,023,118	1,381,952
$11,000 under $12,000	—	—	*12,638	*2,486	—	—	1,916,069	1,517,688	*960	*1,412	1,916,366	1,519,100
$12,000 under $13,000	*3,215	*170	*2,667	*1,464	—	—	2,079,875	1,829,596	**301	**2,788	2,080,175	1,832,371
$13,000 under $14,000	*7,333	*4,714	*4,700	*3,802	—	—	2,195,156	2,128,938	**	**	2,195,157	2,128,951
$14,000 under $15,000	*10,884	*6,423	*4,271	*775	—	—	2,189,554	2,379,670	*86	*2,769	2,189,640	2,382,438
$15,000 under $16,000	*10,884	*493	*9,895	*6,081	—	—	2,362,431	2,706,451	*83	*3,921	2,362,514	2,710,372
$16,000 under $17,000	—	—	*12,520	*8,702	—	—	2,193,734	2,743,356	*301	*48	2,194,035	2,743,404
$17,000 under $18,000	*7,103	*1,715	*14,540	*9,491	—	—	2,342,945	3,219,594	*21	*51	2,342,965	3,219,645
$18,000 under $19,000	*14,205	*2,962	*6,063	*5,746	—	—	2,131,773	3,164,578	*86	*1,263	2,131,858	3,165,841
$19,000 under $20,000	*7,103	*2,443	*11,181	*11,591	—	—	2,098,348	3,461,504	*759	*4,294	2,098,442	3,465,798
$20,000 under $25,000	*11,115	*4,381	29,092	25,327	—	—	9,140,158	18,266,445	*1,357	*11,899	9,141,213	18,278,344
$25,000 under $30,000	*25,388	*7,740	23,301	40,463	—	—	7,461,397	20,350,002	3,063	11,640	7,461,750	20,361,642
$30,000 under $40,000	78,050	72,253	45,089	87,337	†	†	11,895,037	44,110,509	7,956	28,482	11,895,769	44,138,991
$40,000 under $50,000	41,877	28,791	30,031	60,926	*1,498	*765	8,248,966	42,743,177	5,572	25,183	8,249,552	42,768,361
$50,000 under $75,000	86,219	48,932	37,085	70,286	*1,677	*4,279	8,895,457	74,303,253	14,120	37,664	8,897,085	74,340,917
$75,000 under $100,000	68,373	105,290	21,596	44,499	*1,509	*4,811	2,518,146	35,630,908	14,883	54,421	2,518,463	35,685,329
$100,000 under $200,000	86,912	226,162	33,950	88,616	6,660	20,021	1,774,587	47,647,960	33,887	189,433	1,776,104	47,837,393
$200,000 under $500,000	46,430	182,248	18,914	73,646	8,570	57,186	547,229	38,446,620	17,541	253,120	547,869	38,699,740
$500,000 under $1,000,000	15,031	129,973	7,512	46,028	3,288	42,402	114,564	19,040,602	4,329	122,380	114,682	19,162,981
$1,000,000 or more	10,676	260,778	6,656	122,700	2,895	73,757	61,896	42,254,821	2,182	167,857	61,972	42,422,678
Taxable returns, total	**535,966**	**989,175**	**238,711**	**576,443**	**26,359**	**202,064**	**87,120,969**	**411,842,025**	**113,562**	**1,027,884**	**87,135,332**	**412,869,909**
No adjusted gross income	*6	*3	**5,727	**1,173	†	†	14	715	5,940	108,122	5,952	108,837
$1 under $1,000	—	—	—	—	—	—	904,844	30,726	*11	*314	904,855	31,040
$1,000 under $2,000	—	—	—	—	—	—	1,084,347	89,217	**4	**166	1,084,349	89,331
$2,000 under $3,000	*3,551	*50	—	—	—	—	884,236	83,777	—	—	884,236	83,777
$3,000 under $4,000	—	—	—	—	—	—	1,341,718	157,216	**	**	1,341,720	157,267
$4,000 under $5,000	—	—	—	—	—	—	949,608	238,795	—	—	949,608	238,795
$5,000 under $6,000	—	—	—	—	—	—	1,979,495	376,308	**8	**148	1,979,501	376,454
$6,000 under $7,000	*3,551	*4	—	—	—	—	2,019,101	567,850	**	**	2,019,102	567,852
$7,000 under $8,000	—	—	—	—	—	—	1,915,160	789,638	—	—	1,915,160	789,638
$8,000 under $9,000	*7,103	*192	—	—	—	—	1,940,741	1,013,597	*5	*86	1,940,746	1,013,683
$9,000 under $10,000	*3,551	*1,389	—	—	—	—	1,911,374	1,166,984	—	—	1,911,374	1,166,984
$10,000 under $11,000	*7,103	*85	**	**	—	—	2,023,012	1,381,529	*106	*423	2,023,118	1,381,952
$11,000 under $12,000	—	—	*2,575	*456	—	—	1,916,069	1,517,688	*960	*1,412	1,916,366	1,519,100
$12,000 under $13,000	*3,215	*170	—	—	—	—	2,079,875	1,829,596	**301	**2,788	2,080,175	1,832,371
$13,000 under $14,000	*3,782	*332	*2,575	*2,328	—	—	2,195,156	2,128,938	**	**	2,195,157	2,128,951
$14,000 under $15,000	*7,333	*1,429	—	—	—	—	2,189,554	2,379,670	*86	*2,769	2,189,640	2,382,438
$15,000 under $16,000	*10,884	*493	*2,858	*97	—	—	2,362,431	2,706,451	*83	*3,921	2,362,514	2,710,372
$16,000 under $17,000	—	—	*4,249	*2,471	—	—	2,193,734	2,743,356	*301	*48	2,194,035	2,743,404
$17,000 under $18,000	*7,103	*1,715	*6,814	*2,097	—	—	2,342,945	3,219,594	*21	*51	2,342,965	3,219,645
$18,000 under $19,000	*14,205	*2,962	*322	*291	—	—	2,131,773	3,164,578	*86	*1,263	2,131,858	3,165,841
$19,000 under $20,000	*7,103	*2,443	*2,858	*1,274	—	—	2,098,348	3,461,504	*759	*4,294	2,098,442	3,465,798
$20,000 under $25,000	*7,563	*2,208	*14,577	*8,591	—	—	9,140,158	18,266,445	*1,357	*11,899	9,141,213	18,278,344
$25,000 under $30,000	*25,388	*7,740	*10,299	*10,282	—	—	7,461,397	20,350,002	3,063	11,640	7,461,750	20,361,642
$30,000 under $40,000	74,034	51,940	31,897	47,574	†	†	11,895,037	44,110,509	7,956	28,482	11,895,769	44,138,991
$40,000 under $50,000	37,635	4,267	29,273	58,044	*1,498	*765	8,248,966	42,743,177	5,572	25,183	8,249,552	42,768,361
$50,000 under $75,000	85,989	47,413	36,188	67,558	*1,677	*4,279	8,895,457	74,303,253	14,120	37,664	8,897,085	74,340,917
$75,000 under $100,000	68,373	105,290	21,592	44,450	*1,509	*4,811	2,518,146	35,630,908	14,863	54,421	2,518,463	35,685,329
$100,000 under $200,000	86,448	209,146	33,855	87,501	6,640	19,811	1,774,587	47,647,960	33,887	189,433	1,776,104	47,837,393
$200,000 under $500,000	46,361	177,020	18,887	73,547	8,559	56,790	547,229	38,446,620	17,541	253,120	547,869	38,699,740
$500,000 under $1,000,000	15,021	127,561	**14,165	**168,709	**6,179	**115,564	114,564	19,040,602	4,329	122,380	114,682	19,162,981
$1,000,000 or more	10,664	245,324	**	**	**	**	61,896	42,254,821	2,182	167,857	61,972	42,422,678
Nontaxable returns, total	**23,250**	**98,028**	**125,458**	**141,766**	**34**	**1,199**	—	—	—	—	—	—

Footnotes at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Self-employment tax		Penalty tax on Individual Retirement Arrangements		Earned income credit used to offset all other taxes		Total tax liability		Taxpayments			
									Total		Income tax withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)	(143)	(144)	(145)	(146)
All returns, total	**11,195,247**	**17,264,586**	**1,951,890**	**853,919**	**1,168,925**	**536,562**	**89,001,467**	**430,733,154**	**100,691,733**	**444,343,680**	**93,542,541**	**342,220,135**
No adjusted gross income	136,330	164,641	8,279	10,051	37,533	16,232	122,050	277,451	401,811	1,091,998	248,452	498,611
$1 under $1,000	59,560	36,305	—	—	*11,286	*3,735	953,342	63,610	1,867,823	156,567	1,789,362	113,735
$1,000 under $2,000	174,502	36,818	*2,858	*857	21,165	5,942	1,230,577	121,065	2,878,998	358,339	2,809,291	326,631
$2,000 under $3,000	200,235	55,981	*4,982	*166	44,989	12,004	1,021,793	127,926	2,926,094	622,416	2,856,453	557,174
$3,000 under $4,000	249,569	93,050	*7,107	*832	46,449	13,589	1,510,364	237,560	2,688,682	816,654	2,586,078	725,467
$4,000 under $5,000	202,594	92,003	*10,697	*4,025	44,001	19,734	1,082,262	315,120	2,519,059	964,181	2,443,272	879,164
$5,000 under $6,000	331,589	188,716	*2,125	*610	87,817	50,955	2,060,338	515,268	2,430,903	1,147,959	2,277,478	1,011,839
$6,000 under $7,000	255,260	152,882	*12,170	*4,838	92,538	56,786	2,100,524	669,624	2,547,447	1,355,273	2,409,187	1,253,480
$7,000 under $8,000	252,719	189,474	*7,840	*4,609	84,124	54,079	2,031,683	933,917	2,657,463	1,664,042	2,451,566	1,461,532
$8,000 under $9,000	257,165	214,681	*13,555	*2,524	97,612	64,636	2,068,396	1,167,546	2,580,705	1,919,611	2,307,581	1,682,201
$9,000 under $10,000	260,682	219,825	*5,715	*797	96,223	59,408	2,007,704	1,329,604	2,623,277	2,181,064	2,389,113	1,937,541
$10,000 under $11,000	268,380	216,342	*16,433	*2,075	93,608	46,565	2,110,380	1,554,399	2,564,818	2,448,504	2,336,159	2,175,043
$11,000 under $12,000	238,091	207,341	*20,662	*7,036	92,516	42,673	1,986,810	1,692,729	2,463,217	2,620,213	2,158,170	2,261,588
$12,000 under $13,000	241,603	240,471	*20,003	*2,395	80,057	31,924	2,149,880	2,044,056	2,548,311	3,029,214	2,284,572	2,624,305
$13,000 under $14,000	262,291	269,849	*17,166	*2,506	91,464	29,079	2,293,935	2,372,802	2,670,638	3,489,499	2,391,476	3,021,595
$14,000 under $15,000	206,616	241,879	28,222	2,446	58,439	15,897	2,243,738	2,612,157	2,508,377	3,769,079	2,261,322	3,290,503
$15,000 under $16,000	201,704	221,003	46,440	11,169	35,389	6,746	2,401,339	2,935,802	2,483,044	4,028,855	2,293,954	3,547,996
$16,000 under $17,000	218,045	246,331	27,399	4,035	33,957	4,963	2,235,466	2,989,034	2,304,672	3,912,735	2,108,889	3,503,461
$17,000 under $18,000	247,125	277,363	36,137	11,939	*12,003	*1,446	2,368,434	3,509,005	2,390,020	4,498,800	2,183,766	3,986,109
$18,000 under $19,000	205,478	245,981	26,084	3,302	*7,754	*168	2,152,293	3,417,219	2,122,647	4,088,481	1,921,923	3,616,480
$19,000 under $20,000	227,570	300,308	39,428	6,251	—	—	2,113,900	3,772,560	2,074,677	4,557,489	1,902,160	4,004,130
$20,000 under $25,000	972,043	1,287,255	135,175	43,816	—	—	9,180,537	19,611,254	9,087,495	23,866,188	8,460,085	21,335,826
$25,000 under $30,000	870,693	1,280,302	164,019	45,486	—	—	7,485,865	21,693,915	7,454,129	25,306,054	6,987,088	22,787,877
$30,000 under $40,000	1,413,281	2,187,162	323,581	85,401	—	—	11,917,748	46,418,272	11,871,232	53,341,715	11,229,089	47,989,685
$40,000 under $50,000	1,046,192	1,908,738	299,306	103,898	—	—	8,252,253	44,788,345	8,203,441	49,011,375	7,788,733	43,961,439
$50,000 under $75,000	1,181,891	2,961,854	472,273	218,381	—	—	8,899,268	77,537,317	8,840,294	78,641,458	8,313,635	67,783,719
$75,000 under $100,000	434,151	1,477,448	119,265	87,638	—	—	2,518,907	37,255,570	2,503,416	35,884,511	2,262,769	27,776,539
$100,000 under $200,000	410,955	1,582,849	67,925	86,741	—	—	1,776,917	49,529,473	1,759,271	44,424,831	1,504,200	28,937,992
$200,000 under $500,000	130,729	530,360	13,301	49,277	—	—	548,042	39,301,656	543,970	34,262,803	443,224	20,059,801
$500,000 under $1,000,000	25,393	92,935	2,278	14,166	—	—	114,727	19,289,482	114,087	16,587,595	93,193	8,384,318
$1,000,000 or more	12,810	44,436	1,465	36,653	—	—	61,997	42,649,414	61,716	34,296,175	50,304	10,724,353
Taxable returns, total	**8,848,785**	**15,408,141**	**1,860,307**	**817,932**	**—**	**—**	**87,135,332**	**429,362,362**	**82,991,739**	**435,166,300**	**76,868,225**	**334,829,941**
No adjusted gross income	2,023	7,842	101	409	—	—	5,952	120,378	4,809	140,243	3,502	35,050
$1 under $1,000	*2,575	*232	—	—	—	—	904,855	31,272	253,599	21,700	219,302	10,590
$1,000 under $2,000	*12,091	*2,328	—	—	—	—	1,084,349	91,659	585,077	65,496	550,786	54,348
$2,000 under $3,000	26,263	6,166	—	—	—	—	884,236	89,943	694,357	132,454	662,924	112,631
$3,000 under $4,000	45,834	12,038	—	—	—	—	1,341,720	169,305	1,180,943	340,289	1,152,365	312,921
$4,000 under $5,000	38,033	15,589	*2,125	*30	—	—	949,608	254,445	830,754	357,522	816,466	341,193
$5,000 under $6,000	172,815	98,976	—	—	—	—	1,979,501	475,430	1,725,420	874,908	1,639,538	809,623
$6,000 under $7,000	99,718	57,511	*5,433	*1,719	—	—	2,019,102	627,580	1,732,054	1,032,600	1,641,486	961,634
$7,000 under $8,000	107,840	81,211	*5,715	*3,043	—	—	1,915,160	874,093	1,700,039	1,208,907	1,557,741	1,068,452
$8,000 under $9,000	105,395	71,122	*8,573	*1,189	—	—	1,940,746	1,086,503	1,741,783	1,455,005	1,558,501	1,303,852
$9,000 under $10,000	127,223	98,635	*5,715	*797	—	—	1,911,374	1,267,337	1,746,497	1,603,612	1,574,781	1,446,571
$10,000 under $11,000	150,567	118,410	*10,697	*1,541	—	—	2,023,118	1,502,095	1,849,471	1,932,640	1,655,786	1,703,108
$11,000 under $12,000	136,267	106,264	*16,413	*4,556	—	—	1,916,366	1,631,843	1,754,732	2,028,216	1,497,042	1,713,994
$12,000 under $13,000	148,529	143,791	*20,003	*2,395	—	—	2,080,175	1,978,556	1,948,603	2,439,020	1,725,751	2,105,246
$13,000 under $14,000	151,803	149,769	*11,430	*1,440	—	—	2,195,157	2,280,306	2,113,442	2,927,407	1,867,406	2,523,784
$14,000 under $15,000	146,145	168,178	*21,859	*1,972	—	—	2,189,640	2,553,879	2,105,337	3,329,090	1,882,552	2,914,171
$15,000 under $16,000	160,754	166,322	42,200	10,713	—	—	2,362,514	2,887,413	2,272,800	3,793,261	2,095,659	3,347,643
$16,000 under $17,000	177,997	196,571	*23,161	*3,453	—	—	2,194,035	2,943,656	2,148,229	3,741,388	1,967,040	3,354,662
$17,000 under $18,000	222,320	256,918	35,473	11,674	—	—	2,342,965	3,489,740	2,293,056	4,353,523	2,094,866	3,868,722
$18,000 under $19,000	186,425	208,158	*24,703	*2,912	—	—	2,131,858	3,379,174	2,069,703	4,007,057	1,878,946	3,559,099
$19,000 under $20,000	212,113	273,863	39,428	6,251	—	—	2,098,442	3,746,110	2,036,384	4,475,705	1,872,822	3,947,323
$20,000 under $25,000	934,399	1,202,184	132,113	42,722	—	—	9,141,213	19,525,088	8,975,800	23,584,787	8,374,689	21,180,439
$25,000 under $30,000	849,030	1,233,335	161,654	45,088	—	—	7,461,750	21,646,532	7,403,565	25,187,672	6,949,236	22,698,861
$30,000 under $40,000	1,394,632	2,148,849	319,224	81,512	—	—	11,895,769	46,376,038	11,819,330	53,181,659	11,189,678	47,902,940
$40,000 under $50,000	1,044,689	1,903,780	298,108	103,183	—	—	8,249,552	44,782,595	8,192,554	48,969,801	7,778,171	43,931,856
$50,000 under $75,000	1,180,009	2,954,276	472,268	218,372	—	—	8,897,085	77,529,716	8,834,351	78,602,474	8,309,951	67,761,107
$75,000 under $100,000	434,009	1,476,820	118,965	86,393	—	—	2,518,463	37,253,694	2,502,109	35,868,043	2,261,697	27,767,882
$100,000 under $200,000	410,543	1,581,887	67,925	86,741	—	—	1,776,104	49,528,493	1,757,767	44,396,055	1,503,170	28,930,929
$200,000 under $500,000	130,594	529,913	13,281	49,067	—	—	547,869	39,300,853	543,547	34,248,446	442,984	20,055,680
$500,000 under $1,000,000	25,359	92,840	**3,738	**50,761	—	—	114,682	19,289,355	113,988	16,580,555	93,138	8,382,844
$1,000,000 or more	12,793	44,363	**	**	—	—	61,972	42,649,283	61,642	34,286,766	50,252	10,722,785
Nontaxable returns, total	**2,346,462**	**1,856,446**	**91,583**	**35,986**	**1,168,925**	**536,562**	**1,866,135**	**1,370,791**	**17,699,995**	**9,177,380**	**16,674,315**	**7,390,194**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments—Continued				Earned income credit refundable portion		Overpayment					
	Estimated tax payments		All other taxpayments [1]				Total		Refunded		Credited to 1989 estimated tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(147)	(148)	(149)	(150)	(151)	(152)	(153)	(154)	(155)	(156)	(157)	(158)
All returns, total	**12,443,029**	**80,328,108**	**3,140,160**	**21,791,400**	**7,878,788**	**4,257,493**	**79,143,548**	**78,837,972**	**76,414,800**	**68,990,260**	**4,016,487**	**9,847,712**
No adjusted gross income	87 526	437 542	117 559	155 807	50 197	15 635	369 456	945 338	332 146	766 548	54 011	178 790
$1 under $1 000	67 493	35 176	18 033	7 656	199 808	16 034	1 880 410	145 093	1 857 040	131 592	31 874	13 501
$1 000 under $2 000	40 571	21 985	41 289	9 723	368 171	73 716	2 842 717	407 425	2 831 287	404 214	*22 861	*3 212
$2 000 under $3 000	61 724	54 833	30 716	10 410	387 024	119 056	2 845 385	703 220	2 819 649	685 029	28 894	18 191
$3 000 under $4 000	112 144	79 615	26 142	11 572	412 059	183 051	2 573 322	876 981	2 544 088	858 969	54 134	18 012
$4 000 under $5 000	73 217	58 183	31 475	26 834	449 142	254 772	2 409 524	1 006 699	2 384 613	994 390	34 143	12 309
$5 000 under $6 000	173 186	129 530	17 615	6 590	522 173	342 787	2 279 631	1 133 855	2 258 213	1 110 330	47 731	23 525
$6 000 under $7 000	140 667	90 183	34 767	11 610	626 630	471 152	2 345 522	1 313 011	2 315 640	1 297 379	39 118	15 632
$7 000 under $8 000	248 123	188 500	33 421	14 010	663 100	541 533	2 366 355	1 486 974	2 310 829	1 453 002	78 437	33 972
$8 000 under $9 000	292 565	226 795	29 849	10 615	546 178	432 049	2 332 347	1 403 765	2 260 756	1 360 155	99 435	43 610
$9 000 under $10 000	277 143	231 171	45 009	12 352	658 750	493 875	2 255 409	1 581 156	2 209 384	1 550 383	72 258	30 773
$10 000 under $11 000	279 318	252 939	37 789	20 523	637 323	433 899	2 209 376	1 594 545	2 148 617	1 552 958	103 673	41 587
$11 000 under $12 000	351 508	336 448	58 163	22 177	632 085	347 863	2 038 040	1 538 020	1 957 137	1 470 485	106 547	67 535
$12 000 under $13 000	328 258	381 300	39 877	23 608	533 215	223 660	2 084 539	1 502 854	2 026 065	1 458 963	88 270	43 891
$13 000 under $14 000	367 357	459 267	*20 573	*8 636	470 586	153 546	2 225 433	1 556 924	2 144 912	1 475 601	128 951	81 322
$14 000 under $15 000	342 027	458 287	31 229	20 289	342 060	90 560	2 076 500	1 529 110	1 978 913	1 482 882	122 799	46 228
$15 000 under $16 000	308 523	465 840	24 811	15 019	166 324	35 096	2 042 780	1 466 283	1 979 305	1 377 158	98 617	89 125
$16 000 under $17 000	309 677	398 265	24 236	11 008	117 820	21 498	1 816 562	1 253 681	1 758 912	1 208 723	85 351	44 958
$17 000 under $18 000	296 416	481 313	48 544	31 378	74 015	6 851	1 920 233	1 388 377	1 870 141	1 343 153	77 283	45 224
$18 000 under $19 000	277 854	448 721	36 194	23 281	*22 128	*859	1 608 865	1 097 582	1 560 331	1 055 024	75 213	42 558
$19 000 under $20 000	256 590	498 855	46 672	54 504	—	—	1 622 526	1 204 521	1 554 416	1 130 282	88 053	74 239
$20 000 under $25 000	1 143 896	2 440 731	138 225	89 631	—	—	7 084 861	6 113 672	6 858 747	5 833 584	317 331	280 088
$25 000 under $30 000	903 778	2 349 740	151 571	168 436	—		5 557 161	5 450 857	5 381 368	5 204 440	274 034	246 417
$30 000 under $40 000	1 412 135	5 044 123	225 495	307 907	—	—	9 001 268	10 514 433	8 727 511	9 911 557	438 909	602 876
$40 000 under $50 000	1 050 383	4 731 845	254 991	317 957	—	—	5 810 169	8 013 513	5 550 465	7 519 642	380 529	493 872
$50 000 under $75 000	1 442 964	10 072 517	619 737	785 120	—		5 156 675	9 272 783	4 851 315	8 323 531	436 362	949 252
$75 000 under $100 000	675 693	7 134 805	371 481	973 167	—		1 290 699	3 389 043	1 159 649	2 685 919	213 480	703 124
$100 000 under $200 000	728 085	13 218 764	359 340	2 266 285	-	—	785 343	3 977 785	605 474	2 667 565	249 147	1 310 220
$200 000 under $500 000	281 955	11 062 415	153 272	3 140 582		—	232 689	2 832 532	141 852	1 497 498	115 939	1 335 033
$500 000 under $1 000 000	69 159	5 851 943	42 197	2 351 203	—		51 159	1 410 207	25 709	577 856	31 238	832 351
$1 000 000 or more	43 095	12 686 476	29 886	10 883 509		—	28 588	2 727 733	10 316	601 449	21 862	2 126 284
Taxable returns, total	**11,508,003**	**78,788,840**	**2,684,794**	**21,543,521**	**—**	**—**	**61,088,723**	**66,036,192**	**58,588,391**	**56,652,081**	**3,650,619**	**9,384,111**
No adjusted gross income	2 886	53 476	2 884	51 716	–		3 103	52 817	1 116	32 123	2 481	20 694
$1 under $1 000	31 440	10 887	*5 715	*223	—	—	199 300	18 064	187 870	16 852	*17 147	*1 212
$1 000 under $2 000	*22 863	*9 245	*11 430	*1 903	-	—	493 632	48 337	485 059	45 571	*20 003	*2 766
$2 000 under $3 000	31 434	14 565	*11 430	*5 258	-		560 090	100 327	548 659	93 821	*14 288	*6 507
$3 000 under $4 000	34 293	22 319	*11 430	*5 049	—	—	1 025 804	237 608	1 011 516	231 427	*25 718	*6 181
$4 000 under $5 000	*14 288	*8 784	*10 697	*7 544		—	682 966	167 101	674 394	164 806	*11 430	*2 295
$5 000 under $6 000	100 450	60 028	*7 565	*5 257			1 478 849	533 011	1 466 027	526 008	29 235	7 003
$6 000 under $7 000	105 514	67 639	*9 954	*3 327		—	1 459 021	538 978	1 433 388	528 939	30 615	10 039
$7 000 under $8 000	186 461	135 189	*7 915	*5 265			1 377 421	515 731	1 336 757	494 456	57 810	21 375
$8 000 under $9 000	198 060	150 508	*7 275	*646		.	1 463 617	551 417	1 426 092	534 683	57 529	16 734
$9 000 under $10 000	212 737	150 198	20 925	6 843			1 373 486	541 924	1 339 270	528 769	48 504	13 154
$10 000 under $11 000	[illegible]	218 789	*17 240	*10 743			1 484 083	666 669	1 426 287	627 129	95 729	39 740
$11 000 under $12 000	310 276	297 115	30 529	17 107			1 336 432	620 680	1 264 124	571 130	93 703	49 550
$12 000 under $13 000	284 668	317 213	26 757	16 561			1 488 807	728 510	1 440 303	692 969	71 938	35 540
$13 000 under $14 000	330 432	396 923	*12 257	*6 700			1 687 075	882 514	1 614 394	815 244	107 631	67 270
$14 000 under $15 000	311 200	398 765	21 359	16 154			1 683 137	1 030 131	1 590 436	991 994	111 239	38 137
$15 000 under $16 000	290 198	431 833	*18 436	*13 785			1 843 158	1 221 756	1 786 057	1 146 404	86 667	75 352
$16 000 under $17 000	293 254	378 212	20 695	8 514			1 677 105	1 084 323	1 619 454	1 049 196	81 100	35 127
$17 000 under $18 000	285 468	459 500	39 967	25 301			1 818 212	1 254 411	1 770 244	1 210 922	73 034	43 488
$18 000 under $19 000	263 719	425 874	33 716	22 084			1 566 543	1 031 165	1 518 011	988 948	74 547	42 217
$19 000 under $20 000	250 740	476 190	39 364	52 192			1 588 189	1 136 841	1 524 248	1 072 851	82 503	63 990
$20 000 under $25 000	[illegible]	2 317 868	127 983	86 480			6 988 769	5 858 149	6 766 404	5 630 561	310 873	227 589
$25 000 under $30 000	895 446	2 326 271	140 358	162 540		—	5 519 485	5 351 659	5 346 793	5 114 514	268 567	237 145
$30 000 under $40 000	1 399 758	4 474 643	219 466	304 076		-	8 954 349	10 382 244	8 682 810	9 792 801	433 703	589 443
$40 000 under $50 000	1 049 002	4 720 449	254 966	317 362			5 799 948	7 977 320	5 540 844	7 490 335	379 928	486 985
$50 000 under $75 000	1 440 289	10 059 477	618 633	781 788			5 151 033	9 239 641	4 847 653	8 292 016	434 067	947 625
$75 000 under $100 000	674 997	7 127 132	371 452	973 029			1 289 393	3 374 420	1 158 752	2 672 909	212 986	701 511
$100 000 under $200 000	727 105	13 199 251	359 187	2 264 086	--		783 84[illegible]	3 949 697	604 000	2 641 226	248 812	1 308 471
$200 000 under $500 000	281 721	11 054 087	153 162	3 138 674	—		232 294	2 818 850	141 542	1 486 863	115 790	1 331 987
$500 000 under $1 000 000	69 101	5 846 854	42 177	2 350 726		—	51 062	1 403 255	25 633	571 742	31 200	831 512
$1 000 000 or more	43 057	12 679 555	29 868	10 882 589			28 516	2 718 442	10 258	594 971	21 838	2 123 472
Nontaxable returns, total	**935,026**	**1,539,268**	**455,366**	**247,879**	**7,878,788**	**4,257,493**	**18,054,825**	**12,801,780**	**17,826,409**	**12,338,179**	**365,868**	**463,601**

[1] Footnote(s) at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax due at time of filing		Predetermined estimated tax penalty		Type of return					
					Form 1040		Form 1040A		Form 1040EZ	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Adjusted gross income less deficit	Number of returns	Adjusted gross income	Number of returns	Adjusted gross income
	(159)	(160)	(161)	(162)	(163)	(164)	(165)	(166)	(167)	(168)
All returns, total	**27,185,438**	**61,507,880**	**3,326,495**	**536,842**	**71,359,242**	**2,614,128,466**	**19,066,165**	**292,744,551**	**19,282,873**	**176,146,766**
No adjusted gross income	73 008	118 186	18 850	3 030	835,420	−41 136 289	—	—		
$1 under $1 000	736,235	36,286	*5,720	*185	1 080,807	641 421	585 808	373 160	1 460 234	844 741
$1 000 under $2,000	708 558	96 700	*2 860	*264	1,246 643	1 865 529	768 694	1 154 785	1 851 725	2 763 222
$2 000 under $3,000	442 055	89 761	*1 473	*87	1 183,271	2 940,076	714 400	1 771 929	1 691 699	4 209 459
$3 000 under $4 000	453 754	115 158	*7 109	*321	1,201 734	4 208 210	668 678	2 348 307	1 477 379	5 148 664
$4 000 under $5,000	345 580	104 190	38,391	1 324	1 198 509	5,414 850	682 966	3 067 859	1 237 341	5 533 474
$5 000 under $6,000	558,905	159 643	37 546	1 266	1 377,066	7 615,307	634 387	3 508 533	1 071 600	5 887 876
$6 000 under $7,000	623 761	157,822	36 659	1 612	1 474 292	9 605 820	800 147	5 217 605	860 138	5 562 301
$7 000 under $8 000	616 589	216 221	24,104	905	1 490,712	11 162 288	788 698	5 885 913	860 138	6 437 250
$8 000 under $9 000	558 974	221 042	25 276	1 391	1 505 785	12 798,947	708 686	6 037 645	837 277	7 110 463
$9 000 under $10 000	595 673	237,014	46 158	1 193	1 440 319	13 668 675	771 552	7 319 328	780 125	7 422 067
$10 000 under $11 000	590 724	269 878	75,389	3 337	1 429 135	15,013 517	742 976	7 798,639	685 824	7 181 895
$11 000 under $12 000	631 261	264 658	43 283	1 985	1 421 178	16 345 918	671 536	7 707 224	611 526	7 040 701
$12 000 under $13 000	621 798	298 778	55 843	4 741	1 393 895	17 426 668	694 397	8 675 045	637 245	7 957 870
$13 000 under $14 000	564 305	290 762	94 283	4 082	1 399 014	18 881 971	754 406	10 184 395	648 675	8 734 852
$14 000 under $15 000	529 299	285 082	49 046	3 454	1 397 466	20 239 282	671 536	9 725,399	557 232	8 058 992
$15 000 under $16 000	534 142	341 141	58 117	3 007	1 383,828	21 463 557	705,827	10 936 924	508 653	7 872 494
$16 000 under $17 000	540 710	311 634	51 990	3 151	1 404,228	23 187 451	560,090	9 254 580	402 922	6 660 434
$17 000 under $18 000	531 127	396 545	68 753	4 814	1 430,914	25 050,477	582 950	10 202 406	442 928	7 760 136
$18 000 under $19 000	568 035	432 039	63,264	5 492	1 304 600	24 117 800	591,523	10,932 306	300 048	5 550 356
$19 000 under $20 000	519 191	427 558	74 186	7 966	1 275,866	24 890,208	531 514	10,362 512	334 339	6 516 728
$20,000 under $25 000	2,159 498	1 884 705	280 583	25 967	6,144 176	138 030,396	1 980 116	44 048 228	1 154 470	25 758 701
$25 000 under $30 000	1 944 397	1,860 502	251,938	21 784	5 618 997	154 378 737	1 371 445	37 496 843	527 297	14 326 004
$30 000 under $40 000	2 933 467	3 633,913	359 600	42,923	10 199,731	355 668,356	1 442 382	49 146 684	314 486	10 495 601
$40 000 under $50 000	2 442 660	3,839 793	379 965	49,309	7 737,217	345 998 997	498 922	21 865 339	28,375	1 251 339
$50 000 under $75 000	3 741 432	8,251 918	554 690	83,276	8,760,359	524 931 410	142 529	7 722 962	*1 198	*61 147
$75,000 under $100,000	1 224,483	4,807,398	233 765	47,296	2,520,476	214,204,828	—	—	—	—
$100,000 under $200,000	986,746	9,183 585	268 726	101 158	1,778 258	236,074,161	—	—	—	—
$200,000 under $500,000	313,032	7,934 480	92,878	63,096	548 472	161,914 657	—		—	—
$500,000 under $1,000,000	62 959	4,135,926	17 231	23,832	114,808	77,893,798	—	—	—	—
$1,000,000 or more	33 078	11,105 565	8,820	24,593	62 065	169,631,441	—		—	
Taxable returns, total	**25,884,594**	**60,760,085**	**3,169,871**	**526,745**	**61,136,843**	**2,582,571,704**	**12,079,332**	**242,595,057**	**13,919,157**	**164,748,331**
No adjusted gross income	2,765	33,672	1,409	720	5,952	−3,558 231	—	—	—	—
$1 under $1,000	699,840	27,820	*5,720	*185	484,788	360,414	228,608	166,469	191 459	153,807
$1 000 under $2 000	576 429	74,764	*2,860	*264	504,256	746,919	197,174	283,705	382,918	560,687
$2,000 under $3,000	321,289	57,816	—	—	327,004	804 514	162,883	395,586	394 349	1 001,735
$3,000 under $4 000	315,916	66,795	*4,984	*170	392,997	1,373,925	125,734	440,310	822 989	2,855,73*
$4 000 under $5 000	263,784	64 743	*21,395	*718	249,496	1,127,190	137,165	622,694	562 947	2,529,165
$5,000 under $6,000	497,794	134,389	28,966	856	719,299	3,992,185	188 602	1 044,336	1,071 600	5,887 876
$6,000 under $7,000	557,223	134,907	*24,213	*949	893,189	5,816,972	265,776	1,749,947	860 138	5,562,301
$7,000 under $8,000	529 165	181,540	*15 606	*623	817,841	6 120,560	237 181	1,758,027	860 138	6 437 250
$8,000 under $9 000	474 271	184,185	*21 320	*1,270	837,712	7,135,500	265,757	2,267 171	837,277	7 110,463
$9 000 under $10 000	532 173	206,715	38,455	1 067	831,202	7 895,828	300,048	2,835,585	780,125	7 422,067
$10,000 under $11,000	536 073	238,926	58,383	2 603	1,028,673	10 828,479	308 621	3,236 458	685,824	7,181,895
$11 000 under $12,000	577,076	225 974	39 113	1 667	1,059 086	12,186,233	245,754	2,834,242	611 526	7,040,701
$12,000 under $13 000	588,510	272 028	45 221	3,982	1,094,303	13 685,558	348 627	4 355,245	637,245	7,957,870
$13,000 under $14 000	508,082	239 016	83,210	3,603	1,120,700	15,136,752	425,782	5,753,049	648 675	8,734,852
$14 000 under $15 000	500,767	258 271	46,829	3,352	1 163 762	16,854 592	468,646	6,791,138	557 232	8,058 992
$15,000 under $16 000	513,640	318,890	55,992	2,982	1,239 477	19,225,978	614 384	9 522,706	508,653	7 872 494
$16,000 under $17,000	511 948	289 299	45,696	2 708	1 296,748	21 413 134	494,365	8 176 662	402,922	6 660 434
$17 000 under $18 000	524 753	395,396	67 372	4 768	1,362,808	23 861,162	537,229	9 408,308	442,928	7,760,136
$18 000 under $19 000	551,027	409 212	59 002	4 844	1,246,002	23 039,343	585,808	10 828,344	300,048	5,550,356
$19,000 under $20,000	510,253	414,942	72,061	7 697	1,246 878	24,328,032	517 226	10 084 850	334 339	6,516,728
$20,000 under $25,000	2 133,427	1,823,267	269,001	24,816	6 018 057	135,243,988	1,968 685	43 808 395	1 154 470	25,758,701
$25,000 under $30 000	1,928,747	1,832,100	249 175	21,580	5 563,009	152,844 589	1,371 445	37 496,843	527,297	14 326,004
$30 000 under $40 000	2,926,438	3,619,511	358,219	42 887	10 138,901	353 560,810	1 442,382	49 146 684	314 486	10 495 601
$40,000 under $50,000	2,441 953	3,839 420	379 922	49 306	7 722,256	345,321,019	498 922	21 865,339	28 375	1,251 339
$50,000 under $75,000	3,741 131	8,250 047	554,389	83,164	8,753,358	524 531,015	142 529	7 722,962	*1 198	*61,147
$75 000 under $100,000	1,224 461	4 807,364	233,745	47,294	2,518,463	214,024 329	—	—		—
$100,000 under $200 000	986,649	9 183,293	268,721	101 157	1 776,104	235,793,141	—	—		—
$200,000 under $500,000	312,987	7,934 345	92,847	63,088	547,869	161 736,529	—	—	—	
$500,000 under $1,000 000	62 949	4,135 886	**26,044	**48 423	114 682	77 808,122	—	—		
$1,000,000 or more	33,071	11 105 552	**	**	61 972	169 333,126	—	—		
Nontaxable returns, total	**1,300,844**	**747,796**	**156,624**	**10,098**	**10,222,399**	**31,556,762**	**6,986,833**	**50,149,494**	**5,363,715**	**11,398,435**

* Estimate should be used with caution because of the small number of sample returns on which it is based.
** Data combined to avoid disclosure of information for specific taxpayers.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
( ) Less than $500.
[1] Consists of excess social security tax withheld, payment with request for extension of filing time, credit for tax on certain gasoline and fuels, and credit from regulated investment companies.
NOTE: Detail may not add to total because of rounding.

Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest received		Standard deduction		Exemptions	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	**19,282,873**	**176,146,766**	**19,225,721**	**175,603,348**	**6,516,042**	**543,418**	**19,242,866**	**52,869,375**	**13,705,330**	**26,686,380**
Under $1,000	1 460 234	844 741	1 403,082	812,004	397 206	32 737	1,454 518	1,976,851	451,501	875,169
$1,000 under $2 000	1 851,725	2,763,222	1,851,725	2,725,325	460 074	37 897	1 846 010	3,646,895	642,960	1,248,514
$2,000 under $3,000	1 691,699	4 209 459	1 691 699	4 171,050	505 795	38 409	1 688,842	4 512 948	665,821	1,295,579
$3,000 under $4,000	1,477,379	5,148 664	1 477,379	5,107,111	485,792	41 552	1 474,522	4 420,279	657 248	1,279,147
$4 000 under $5,000	1,237,341	5,533,474	1 237,341	5,507,947	365,773	25 527	1,231 626	3,692,248	714 400	1,387,708
$5,000 under $6,000	1,071,600	5,887 876	1,071,600	5,859,926	354 342	27 950	1 071 600	3,214 800	682 966	1,331,784
$6,000 under $7,000	860 138	5,562,301	860,138	5,541 515	257 184	20,786	857,280	2 571 840	657,248	1,279,147
$7,000 under $8,000	860,138	6,437,250	860,138	6,419 464	240,038	17 786	857,280	2,567,897	720,115	1,401,196
$8 000 under $9 000	837,277	7,110,463	837,277	7,096,741	240 038	13 722	837 277	2,510,516	768 694	1,498,811
$9,000 under $10,000	780 125	7 422,067	780,125	7 407,308	248 611	14 760	780,125	2,339 060	717 258	1,398,509
$10 000 under $11,000	685 824	7 181,895	685 824	7,163 417	214 320	18 477	682 966	2,048,899	645,818	1,256,744
$11 000 under $12,000	611 526	7,040,701	611 526	7,025 830	208 605	14 871	611,526	1 831 950	591,523	1,153,184
$12,000 under $13 000	637,245	7 957,870	637,245	7,944 148	191 459	13 722	637 245	1,907 791	622,957	1,214,337
$13,000 under $14 000	648,675	8,734 852	648,675	8,714 268	262,899	20,583	648 675	1,946 026	634 387	1,237,055
$14 000 under $15,000	557,232	8,058,992	557 232	8 039,015	214 320	19 977	557 232	1 669 067	542,944	1,058,455
$15,000 under $16 000	508,653	7 872,494	508,653	7,856,851	194 317	15 643	502 938	1 507 498	502 938	975,385
$16 000 under $17 000	402,922	6,660,434	402,922	6 638,285	185,744	22 149	400,064	1,198,878	391 491	760,665
$17,000 under $18,000	442,928	7 760 136	442,928	7 742,736	194 317	17 400	442 928	1,328,784	442,928	863,710
$18,000 under $19,000	300,048	5,550 356	300,048	5 539,186	111 446	11 170	300 048	900,144	297,190	579,521
$19 000 under $20,000	334,339	6 516,728	334 339	6,505,829	120,019	10,899	334 339	1,003,018	334,339	651,961
$20,000 under $25,000	1 154,470	25,758 701	1 154 470	25,704 738	560 090	53,963	1 154 470	3 462,097	1,151 613	2,245,502
$25 000 under $30,000	527,297	14 326,004	527 297	14,298,024	283,747	27,980	527 297	1 580 803	524 932	1,023 500
$30,000 under $40 000	314,486	10,495 601	314 486	10,474 906	196,258	20,695	314 486	942,372	314 486	613,130
$40 000 or more	29,572	1,312,487	29,572	1 307,724	23,646	4 762	29 572	88 717	29,572	57,666
Taxable returns, total	**13,919,157**	**164,748,331**	**13,919,157**	**164,256,833**	**5,870,224**	**491,498**	**13,893,439**	**40,387,169**	**10,616,265**	**20,676,133**
Under $1 000	191,459	153 807	191 459	139,299	191 459	14 508	191 459	140,843	—	—
$1,000 under $2 000	382,918	560 687	382,918	526 753	382,918	33 934	382,918	526 753	—	—
$2,000 under $3 000	394 349	1 001,735	394 349	972,233	391 491	29 502	394 349	971,930	—	—
$3 000 under $4 000	822,989	2,855,731	822 989	2,823,852	362 915	31 879	820,131	2 457 107	*2,858	*3,086
$4 000 under $5 000	562 947	2 529 165	562 947	2 514 785	240 038	14 379	557 232	1 670 382	40,006	72,783
$5 000 under $6,000	1,071,600	5 887 876	1 071 600	5 859 926	354 342	27 950	1 071 600	3 214 800	682,966	1,331,784
$6 000 under $7 000	860,138	5 562,301	860,138	5,541,515	257 184	20,786	857,280	2,571 840	657 248	1,279 147
$7 000 under $8 000	860,138	6 437 250	860 138	6,419 464	240 038	17 786	857,280	2 567 897	720 115	1 401,196
$8,000 under $9,000	837,277	7 110,463	837 277	7,096,741	240,038	13 722	837 277	2 510 516	768,694	1,498,811
$9,000 under $10,000	780,125	7 422,067	780,125	7 407,308	248,611	14 760	780,125	2,339,060	717,258	1,398,509
$10,000 under $11,000	685,824	7 181,895	685,824	7 163,417	214 320	18 477	682,966	2,048 899	645,818	1,256,744
$11,000 under $12,000	611,526	7,040,701	611,526	7,025,830	208 605	14 871	611 526	1,831,950	591 523	1,153 184
$12,000 under $13,000	637,245	7,957,870	637,245	7,944 148	191 459	13 722	637 245	1,907 791	622 957	1,214,337
$13,000 under $14 000	648,675	8,734 852	648 675	8,714 268	262,899	20 583	648 675	1,946,026	634 387	1,237,055
$14 000 under $15,000	557,232	8,058,992	557 232	8,039 015	214 320	19 977	557 232	1,669,067	542,944	1,058,455
$15,000 under $16,000	508 653	7,872,494	508,653	7,856,851	194 317	15 643	502 938	1,507 498	502,938	975,385
$16,000 under $17,000	402,922	6 660 434	402 922	6,638,285	185,744	22 149	400,064	1,198,878	391 491	760,665
$17,000 under $18,000	442,928	7,760,136	442 928	7,742,736	194 317	17 400	442 928	1 328 784	442,928	863,710
$18,000 under $19 000	300,048	5,550,356	300,048	5,539 186	111,446	11 170	300,048	900,144	297 190	579 521
$19,000 under $20,000	334 339	6 516 728	334 339	6 505,829	120,019	10,899	334 339	1,003,018	334 339	651,961
$20,000 under $25,000	1,154 470	25,758,701	1,154 470	25,704 738	560,090	53 963	1,154 470	3,462,097	1 151 613	2,245,502
$25,000 under $30,000	527 297	14 326,004	527,297	14,298 024	283,747	27 980	527 297	1 580,803	524 932	1,023,500
$30,000 under $40,000	314 486	10 495 601	314 486	10,474 906	196,258	20 695	314 486	942,372	314 486	613,130
$40,000 or more	29,572	1,312 487	29 572	1 307,724	23 646	4 762	29,572	88,717	29 572	57,666
Nontaxable returns, total	**5,363,715**	**11,398,435**	**5,306,563**	**11,346,515**	**645,818**	**51,920**	**5,349,427**	**12,482,205**	**3,089,066**	**6,010,247**

Footnote(s) at end of table

Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxable income		Total income tax		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	**13,933,445**	**103,690,327**	**13,919,157**	**16,421,190**	**18,728,498**	**21,969,217**	**17,417,283**	**5,807,720**	**1,548,889**	**259,693**
Under $1,000	191,459	12,965	191,459	1,995	1 291 635	57,532	1,274,490	56,309	60,010	772
$1,000 under $2,000	394,349	35,877	382,918	5,227	1,728,848	201 689	1,720,275	197,677	65,725	1,214
$2,000 under $3,000	397,206	33,160	394,349	4,561	1,605,971	329,856	1,603,114	326,049	40,006	754
$3,000 under $4,000	822,989	395,538	822,989	58,361	1,405,939	424,102	1,380,221	368,428	65,725	2,686
$4,000 under $5,000	562,947	786,000	562,947	115,533	1,208,765	476,716	1,137,325	369,442	88,586	8,258
$5,000 under $6,000	1,071,600	1,341,292	1,071,600	201,304	1,048,739	557,318	960,154	365,573	111,446	9,559
$6,000 under $7,000	860,138	1,711,314	860,138	255,407	845,850	520,320	785,840	280,882	74,298	15,968
$7,000 under $8,000	860,138	2,468,158	860,138	368,459	851,565	645,849	762,979	290,621	88,586	13,231
$8,000 under $9,000	837,277	3,101,136	837,277	465,046	822,989	744,542	765,837	293,958	68,582	14,462
$9,000 under $10,000	780,125	3,684,498	780,125	552,686	771,552	809,129	702,970	270,100	77,155	13,656
$10,000 under $11,000	685,824	3,876,252	685,824	580,261	682,966	811,984	628,672	245,919	54,294	14,197
$11,000 under $12,000	611,526	4,055,566	611,526	607,917	611,526	828,275	557,232	225,922	51,437	5,564
$12,000 under $13,000	637,245	4,835,742	637,245	724,930	637,245	933,226	582,950	217,738	54,294	9,442
$13,000 under $14,000	648,675	5,551,771	648,675	832,930	648,675	1,042,047	577,235	221,824	71,440	12,708
$14,000 under $15,000	557,232	5,331,470	557,232	799,419	557,232	990,347	482,934	200,055	71,440	9,127
$15,000 under $16,000	508,653	5,389,611	508,653	806,409	505,795	994,773	454,358	197,606	51,437	9,241
$16,000 under $17,000	402,922	4,700,892	402,922	704,098	402,922	844,529	357,200	151,587	45,722	11,156
$17,000 under $18,000	442,928	5,567,642	442,928	835,231	440,070	997,914	388,634	174,985	54,294	12,302
$18,000 under $19,000	300,048	4,070,691	300,048	610,703	300,048	725,085	262,899	119,716	28,576	5,335
$19,000 under $20,000	334,339	4,861,749	334,339	729,402	334,339	879,298	314,336	151,416	*20,003	*1,520
$20,000 under $25,000	1,154,470	20,051,102	1,154,470	3,070,626	1,154,470	3,674,654	1,040,166	630,198	114,304	26,170
$25,000 under $30,000	527,297	11,721,701	527,297	2,058,952	527,297	2,311,178	406,704	276,597	118,228	24,372
$30,000 under $40,000	314,486	8,940,099	314,486	1,773,652	314,486	1,905,545	253,008	161,272	61,479	29,380
$40,000 or more	29,572	1,166,103	29,572	258,081	29,572	263,308	*17,750	*13,845	*11,823	*8,619
Taxable returns, total	**13,919,157**	**103,685,029**	**13,919,157**	**16,421,190**	**13,641,970**	**21,037,956**	**12,330,755**	**4,876,460**	**1,548,889**	**259,693**
Under $1,000	191,459	12,965	191,459	1,995	148,595	7,373	131,450	6,150	60,010	772
$1,000 under $2,000	382,918	33,934	382,918	5,227	322,909	35,194	314,336	31,182	65,725	1,214
$2,000 under $3,000	394,349	29,805	394,349	4,561	354,342	68,551	351,485	64,745	40,006	754
$3,000 under $4,000	822,989	395,538	822,989	58,361	782,982	233,232	757,264	177,557	65,725	2,686
$4,000 under $5,000	562,947	786,000	562,947	115,533	545,802	214,286	474,362	107,011	88,586	8,258
$5,000 under $6,000	1,071,600	1,341,292	1,071,600	201,304	1,048,739	557,318	960,154	365,573	111,446	9,559
$6,000 under $7,000	860,138	1,711,314	860,138	255,407	845,850	520,320	785,840	280,882	74,298	15,968
$7,000 under $8,000	860,138	2,468,158	860,138	368,459	851,565	645,849	762,979	290,621	88,586	13,231
$8,000 under $9,000	837,277	3,101,136	837,277	465,046	822,989	744,542	765,837	293,958	68,582	14,462
$9,000 under $10,000	780,125	3,684,498	780,125	552,686	771,552	809,129	702,970	270,100	77,155	13,656
$10,000 under $11,000	685,824	3,876,252	685,824	580,261	682,966	811,984	628,672	245,919	54,294	14,197
$11,000 under $12,000	611,526	4,055,566	611,526	607,917	611,526	828,275	557,232	225,922	51,437	5,564
$12,000 under $13,000	637,245	4,835,742	637,245	724,930	637,245	933,226	582,950	217,738	54,294	9,442
$13,000 under $14,000	648,675	5,551,771	648,675	832,930	648,675	1,042,047	577,235	221,824	71,440	12,708
$14,000 under $15,000	557,232	5,331,470	557,232	799,419	557,232	990,347	482,934	200,055	71,440	9,127
$15,000 under $16,000	508,653	5,389,611	508,653	806,409	505,795	994,773	454,358	197,606	51,437	9,241
$16,000 under $17,000	402,922	4,700,892	402,922	704,098	402,922	844,529	357,200	151,587	45,722	11,156
$17,000 under $18,000	442,928	5,567,642	442,928	835,231	440,070	997,914	388,634	174,985	54,294	12,302
$18,000 under $19,000	300,048	4,070,691	300,048	610,703	300,048	725,085	262,899	119,716	28,576	5,335
$19,000 under $20,000	334,339	4,861,749	334,339	729,402	334,339	879,298	314,336	151,416	*20,003	*1,520
$20,000 under $25,000	1,154,470	20,051,102	1,154,470	3,070,626	1,154,470	3,674,654	1,040,166	630,198	114,304	26,170
$25,000 under $30,000	527,297	11,721,701	527,297	2,058,952	527,297	2,311,178	406,704	276,597	118,228	24,372
$30,000 under $40,000	314,486	8,940,099	314,486	1,773,652	314,486	1,905,545	253,008	161,272	61,479	29,380
$40,000 or more	29,572	1,166,103	29,572	258,081	29,572	263,308	*17,750	*13,845	*11,823	*8,619
Nontaxable returns, total	***14,288**	***5,298**	**—**	**—**	**5,086,528**	**931,260**	**5,086,528**	**931,260**	**—**	**—**

* Estimate should be used with caution because of the small number of sample returns on which it is based
NOTE Detail may not add to total because of rounding

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest received		Tax-exempt interest		Dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	**19,066,165**	**292,744,551**	**18,497,503**	**285,216,501**	**7,004,600**	**4,432,193**	**66,540**	**43,629**	**1,153,469**	**569,717**
Under $1 000	585,808	373,160	322,909	184 672	280,045	164 126	*5,715	*1,803	54 294	18,426
$1 000 under $2,000	768,694	1 154 785	671,536	945 791	277 187	175,068	*2,858	*246	60,010	18,243
$2 000 under $3 000	714 400	1,771 929	648 675	1 455,044	257 184	256 618	—	—	42,864	16,908
$3 000 under $4 000	668,678	2,348,307	634,387	2,074,578	194 317	188 327	—	—	37 149	45,456
$4 000 under $5,000	682,966	3,067,859	657 248	2,755,575	171 456	200 746	—	—	34 291	19 835
$5 000 under $6 000	634 387	3 508,533	625 814	3,260 342	148 595	134 630	—	—	*25,718	*16,277
$6,000 under $7,000	800,147	5,217 605	783,002	4 832 532	202 890	196 160	—	—	34 291	12,965
$7,000 under $8,000	788 698	5,885,913	774 410	5,514 917	131 450	164 418	—	—	*22,861	*12,219
$8 000 under $9 000	708 686	6,037,645	694 398	5,631 412	174 314	180 032	—	—	31 434	20,526
$9 000 under $10 000	771,552	7,319,328	757 264	6,904 976	220,035	205 030	*2 858	*100	*25,718	*40,524
$10,000 under $11 000	742,976	7 798,639	742,976	7,533 168	182 886	113 275	*2 858	*17 906	34 291	14,491
$11,000 under $12 000	671 536	7,707,224	668,678	7 391 340	171 456	103 719	*5 715	*2 012	*17,146	*37,917
$12,000 under $13,000	694 397	8,675,045	694,397	8,444 920	182,886	77 721	—	—	*22,861	*8,384
$13,000 under $14 000	754 406	10,184 395	751,549	9 923 870	208 605	93 626	*2 858	*2,778	40 006	14 820
$14 000 under $15 000	671 536	9 725,399	668 678	9,461,036	231 466	118,813	—	—	37 149	39,212
$15 000 under $16 000	705 827	10,936,924	705,827	10,698 912	205 747	73 815	*5 715	*6 875	*25,718	*8,173
$16 000 under $17,000	560,090	9 254 580	560 090	9,059 961	191,459	120 171	—	—	37 149	15,460
$17 000 under $18 000	582 950	10,202,406	580,093	9 960 813	205,747	162 023	*2 858	*4 418	*25,718	*18,051
$18 000 under $19 000	591,523	10,932,306	591 523	10,746 133	214 320	90 997	*5 715	*380	*25,718	*5,715
$19 000 under $20 000	531,514	10,362,512	531 514	10,187,641	220,035	108 957	—	—	42,864	21,944
$20 000 under $25 000	1,980,116	44,048,228	1,977,258	43 408 899	897,578	451 600	*5,715	*137	141 401	49,288
$25,000 under $30 000	1,371,445	37 496,843	1,371 445	37 173,248	714 097	242,067	*2 365	*31	118,228	27,881
$30 000 under $40 000	1,442,382	49 146,684	1,442,382	48,482,879	853 606	477 495	*14 187	*4 266	134 780	31,900
$40,000 or more	641 451	29 588,301	641,451	29,183 842	467 239	332,757	*7,125	*2 678	81,809	55,104
Taxable returns, total	**12,079,332**	**242,595,057**	**11,696,414**	**237,067,850**	**5,912,997**	**3,675,189**	**52,252**	**32,204**	**1,022,019**	**481,843**
Under $1 000	228,608	166,469	*22,861	*8,690	217,178	141,040	—	—	45,722	15,168
$1,000 under $2 000	197,174	283,705	120,019	127,726	197 174	141,540	*2 858	*246	48,579	16,194
$2 000 under $3 000	162,883	395,586	128,592	213 657	154 310	167 112	—	—	37 149	11,582
$3 000 under $4 000	125,734	440,310	117,162	332,162	100,016	71 877	—	—	28,576	34,706
$4 000 under $5,000	137,165	622,694	137,165	548 216	88,586	64 270	—	—	*14,288	*7,221
$5,000 under $6,000	188 602	1,044,336	188 602	923,831	85 728	57 303	—	—	*17 146	*14 474
$6,000 under $7 000	265 776	1,749,947	251 488	1,540,451	117 162	143 306	—	—	*22,861	*4,384
$7 000 under $8,000	237,181	1,758,027	228,608	1 531 979	85,728	114 158	—	—	*20,003	*12 199
$8 000 under $9 000	265,757	2,267,171	254 326	2 030,828	105 731	137 173	—	—	*20,003	*17 694
$9 000 under $10,000	300,048	2,835,585	291,475	2,577,009	142,880	151,333	*2,858	*100	*17 146	*26,693
$10 000 under $11,000	308,621	3,236,458	308 621	3,086,614	108,589	90,257	*2,858	*17 906	*25,718	*13,914
$11 000 under $12 000	245,754	2,834 242	242 896	2 663 632	105,731	94 278	*2 858	*1,980	*14,288	*37,592
$12 000 under $13,000	348,627	4,355,245	348 627	4 209 376	134 307	71,209	—	—	*20,003	*8,310
$13 000 under $14 000	425,782	5,753,049	422 925	5,591 332	142,880	83 928	—	—	*25 718	*11,742
$14 000 under $15,000	468,646	6,791 138	465 789	6,630 498	182,886	90,786	—	—	31 434	16,457
$15,000 under $16 000	614,384	9 522,706	614 384	9 314 616	202 890	73 580	*2 858	*63	*25,718	*8,173
$16,000 under $17,000	494 365	8 176 662	494 365	7 994,265	174 314	116 527	—	—	37 149	15 460
$17,000 under $18,000	537,229	9 408,308	534 371	9 178,151	202 890	161,977	*2,858	*4 418	*25,718	*18,051
$18,000 under $19,000	585,808	10 828,344	585,808	10 645,463	214,320	90 997	*5,715	*380	*25,718	*5,715
$19 000 under $20,000	517 226	10,084,850	517,226	9,910,320	217,178	108 617	—	—	42 864	21,944
$20 000 under $25,000	1,968 685	43,808,395	1,965,828	43,169,067	897,578	451,600	*5,715	*137	141 401	49,288
$25 000 under $30,000	1,371 445	37 496,843	1,371 445	37,173 248	714,097	242 067	*2,365	*31	118,228	27,881
$30,000 under $40 000	1,442,382	49,146 684	1,442,382	48,482,879	853,606	477 495	*14 187	*4 266	134 780	31,900
$40,000 or more	641 451	29,588,301	641 451	29 183,842	467,239	332,757	*7 125	*2,678	81 809	55,104
Nontaxable returns, total	**6,986,833**	**50,149,494**	**6,801,089**	**48,148,651**	**1,091,603**	**757,004**	**14,288**	**11,425**	**131,450**	**87,874**

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Unemployment compensation in AGI		Statutory adjustments						Basic standard deduction	
			Total		Primary IRA payments		Secondary IRA payments			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	**2,402,651**	**3,438,888**	**705,686**	**912,748**	**676,818**	**838,364**	**103,256**	**69,817**	**18,942,010**	**76,604,753**
Under $1,000	*11,430	*5,935	—	—	—	—	—	—	577,235	1,183,024
$1,000 under $2,000	28,576	21,992	*5,715	*6,310	*5,715	*6,310	—	—	768,694	2,254,541
$2,000 under $3,000	54,294	54,894	*8,573	*11,536	*8,573	*11,536	—	—	705,827	2,229,551
$3,000 under $4,000	45,722	45,033	*2,858	*5,087	*2,858	*5,087	—	—	662,963	2,398,189
$4,000 under $5,000	85,728	105,705	*11,430	*14,002	*11,430	*14,002	—	—	674,394	2,548,839
$5,000 under $6,000	91,443	122,217	*14,288	*24,933	*14,288	*23,218	*2,858	*1,715	631,530	2,465,820
$6,000 under $7,000	142,880	177,777	*5,715	*1,829	*5,715	*1,829	—	—	797,290	3,175,766
$7,000 under $8,000	134,307	197,217	*2,858	*2,858	*2,858	*2,858	—	—	780,125	3,154,447
$8,000 under $9,000	151,453	211,642	*8,573	*5,967	*8,573	*5,967	—	—	697,255	2,774,677
$9,000 under $10,000	125,734	195,414	28,576	26,616	28,576	26,616	—	—	765,837	3,063,747
$10,000 under $11,000	120,019	173,353	*20,003	*35,649	*20,003	*34,934	*2,858	*714	740,118	3,065,919
$11,000 under $12,000	114,304	193,422	*20,003	*19,174	*20,003	*19,174	—	—	662,963	2,779,416
$12,000 under $13,000	94,301	168,207	*17,146	*24,187	*17,146	*24,187	—	—	691,539	2,870,231
$13,000 under $14,000	108,589	170,081	*11,430	*18,003	*11,430	*18,003	—	—	754,406	3,122,214
$14,000 under $15,000	105,731	142,208	*25,718	*35,871	*25,718	*34,157	*2,858	*1,715	671,536	2,738,152
$15,000 under $16,000	100,016	182,629	*17,146	*26,604	*17,146	*26,604	—	—	694,397	2,856,857
$16,000 under $17,000	80,013	88,323	*20,003	*29,333	*20,003	*27,433	*2,858	*1,900	560,090	2,343,632
$17,000 under $18,000	71,440	99,313	*25,718	*37,795	*25,718	*37,080	*2,858	*714	580,093	2,502,858
$18,000 under $19,000	77,155	117,499	*22,861	*28,039	*22,861	*28,039	—	—	588,666	2,452,792
$19,000 under $20,000	82,870	107,283	40,006	63,313	40,006	59,741	*5,715	*3,572	528,656	2,186,064
$20,000 under $25,000	207,619	304,284	136,964	165,843	134,106	158,677	*9,951	*5,665	1,974,400	8,528,845
$25,000 under $30,000	137,144	178,122	104,041	124,475	96,947	112,300	*16,552	*9,354	1,359,622	6,125,913
$30,000 under $40,000	182,071	293,111	113,499	138,700	96,947	116,083	33,104	22,371	1,432,923	6,690,759
$40,000 or more	49,810	83,224	42,562	66,626	40,198	44,529	23,646	22,097	641,451	3,092,500
Taxable returns, total	**1,579,662**	**2,223,236**	**651,392**	**853,062**	**622,524**	**780,392**	**100,398**	**68,103**	**12,000,899**	**47,199,962**
Under $1,000	*2,858	*1,572	—	—	—	—	—	—	228,608	115,453
$1,000 under $2,000	*5,715	*4,555	*5,715	*6,310	*5,715	*6,310	—	—	197,174	169,218
$2,000 under $3,000	*5,715	*3,235	—	—	—	—	—	—	162,883	231,194
$3,000 under $4,000	*5,715	*6,652	*2,858	*5,087	*2,858	*5,087	—	—	125,734	311,856
$4,000 under $5,000	*5,715	*4,415	*2,858	*1,429	*2,858	*1,429	—	—	134,307	384,836
$5,000 under $6,000	45,722	60,158	*5,715	*11,430	*5,715	*11,430	—	—	185,744	545,399
$6,000 under $7,000	57,152	63,350	*2,858	*1,543	*2,858	*1,543	—	—	265,776	783,040
$7,000 under $8,000	51,437	102,548	*2,858	*2,858	*2,858	*2,858	—	—	231,466	681,766
$8,000 under $9,000	71,440	87,443	*8,573	*5,967	*8,573	*5,967	—	—	260,042	789,555
$9,000 under $10,000	65,725	98,876	*17,146	*18,326	*17,146	*18,326	—	—	297,190	951,809
$10,000 under $11,000	51,437	69,891	*14,288	*24,218	*14,288	*23,504	*2,858	*714	305,763	1,088,574
$11,000 under $12,000	42,864	56,260	*14,288	*17,520	*14,288	*17,520	—	—	240,038	854,422
$12,000 under $13,000	57,152	90,537	*17,146	*24,187	*17,146	*24,187	—	—	345,770	1,268,832
$13,000 under $14,000	68,582	84,051	*11,430	*18,003	*11,430	*18,003	—	—	425,782	1,581,967
$14,000 under $15,000	82,870	88,854	*22,861	*35,457	*22,861	*33,743	*2,858	*1,715	468,646	1,776,856
$15,000 under $16,000	88,586	152,942	*17,146	*26,604	*17,146	*26,604	—	—	602,954	2,425,359
$16,000 under $17,000	74,298	79,744	*20,003	*29,333	*20,003	*27,433	*2,858	*1,900	494,365	2,033,868
$17,000 under $18,000	62,867	87,923	*25,718	*37,795	*25,718	*37,080	*2,858	*714	534,371	2,282,822
$18,000 under $19,000	74,298	114,207	*22,861	*28,039	*22,861	*28,039	—	—	582,950	2,424,216
$19,000 under $20,000	82,870	107,283	40,006	63,313	40,006	59,741	*5,715	*3,572	514,368	2,118,053
$20,000 under $25,000	207,619	304,284	136,964	165,843	134,106	158,677	*9,951	*5,665	1,962,970	8,471,693
$25,000 under $30,000	137,144	178,122	104,041	124,475	96,947	112,300	*16,552	*9,354	1,359,622	6,125,913
$30,000 under $40,000	182,071	293,111	113,499	138,700	96,947	116,083	33,104	22,371	1,432,923	6,690,759
$40,000 or more	49,810	83,224	42,562	66,626	40,198	44,529	23,646	22,097	641,451	3,092,500
Nontaxable returns, total	**822,989**	**1,215,652**	**54,294**	**59,687**	**54,294**	**57,972**	***2,858**	***1,715**	**6,941,111**	**29,404,792**

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Additional standard deduction		Exemptions		Taxable income		Child care credit		Earned income credit used to offset income tax before credits	
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All returns, total	**528,686**	**428,483**	**44,863,394**	**87,144,370**	**13,876,762**	**148,583,540**	**2,492,295**	**1,125,543**	**2,614,704**	**610,921**
Under $1,000	*14,288	*11,573	580,093	1,109,720	231,466	51,028	—	—	—	—
$1,000 under $2,000	*22,861	*20,575	1,074,458	2,094,907	197,174	114,487	—	—	—	—
$2,000 under $3,000	*20,003	*15,002	994,445	1,922,965	168,598	169,113	—	—	—	—
$3,000 under $4,000	31,434	24,432	1,125,894	2,181,835	131,450	133,901	—	—	—	—
$4,000 under $5,000	*25,718	*20,575	1,320,211	2,555,560	142,880	203,521	—	—	—	—
$5,000 under $6,000	31,434	24,861	1,251,629	2,436,790	188,602	262,070	—	—	—	—
$6,000 under $7,000	45,741	41,592	1,700,291	3,301,994	282,922	530,557	*2,858	*123	*11,430	*503
$7,000 under $8,000	40,006	31,719	1,828,864	3,548,511	245,754	600,699	*2,858	*583	*5,715	*329
$8,000 under $9,000	28,576	20,575	1,634,549	3,151,880	377,203	1,005,489	31,434	3,612	77,155	6,361
$9,000 under $10,000	40,006	36,006	1,794,573	3,474,242	491,507	1,373,551	68,582	13,665	131,450	22,827
$10,000 under $11,000	34,291	31,719	1,674,554	3,259,607	574,378	1,750,303	120,019	32,174	171,456	39,035
$11,000 under $12,000	*20,003	*17,146	1,717,418	3,326,018	548,659	1,860,778	102,874	30,162	237,181	60,307
$12,000 under $13,000	*20,003	*15,002	1,674,554	3,259,693	620,099	2,667,947	122,877	49,559	274,330	83,728
$13,000 under $14,000	*20,003	*14,145	1,837,437	3,582,430	688,682	3,570,686	151,453	66,468	345,770	119,573
$14,000 under $15,000	*8,573	*9,001	1,631,690	3,180,937	634,387	3,843,529	134,307	55,695	288,618	95,252
$15,000 under $16,000	*8,573	*7,716	1,683,126	3,249,177	694,397	4,839,834	137,165	58,764	342,912	96,927
$16,000 under $17,000	*11,430	*9,001	1,414,512	2,757,298	534,371	4,202,595	114,304	57,463	251,469	47,876
$17,000 under $18,000	*17,146	*12,002	1,580,253	3,069,662	574,378	4,637,565	134,307	64,387	322,909	33,711
$18,000 under $19,000	*8,573	*6,430	1,454,518	2,833,396	588,666	5,646,898	105,731	47,053	154,310	4,492
$19,000 under $20,000	*8,573	*7,716	1,314,496	2,558,295	528,656	5,614,095	91,443	52,891	—	—
$20,000 under $25,000	37,149	26,147	5,376,715	10,465,877	1,977,258	25,033,385	462,438	254,172	—	—
$25,000 under $30,000	*18,916	*13,478	3,993,742	7,757,081	1,371,445	23,600,371	293,205	144,827	—	—
$30,000 under $40,000	*9,458	*8,512	4,291,676	8,335,476	1,442,382	34,109,892	295,570	141,098	—	—
$40,000 or more	*5,927	*3,556	1,913,697	3,730,999	641,451	22,761,246	120,870	52,847	—	—
Taxable returns, total	**302,935**	**238,166**	**26,023,235**	**50,556,942**	**12,079,332**	**144,594,799**	**1,709,313**	**820,069**	**1,325,926**	**329,690**
Under $1,000	—	—	—	—	228,608	51,017	—	—	—	—
$1,000 under $2,000	—	—	—	—	197,174	114,487	—	—	—	—
$2,000 under $3,000	—	—	—	—	162,883	164,392	—	—	—	—
$3,000 under $4,000	—	—	—	—	125,734	128,455	—	—	—	—
$4,000 under $5,000	—	—	*22,861	*41,950	137,165	195,908	—	—	—	—
$5,000 under $6,000	—	—	122,877	236,866	188,602	262,070	—	—	—	—
$6,000 under $7,000	25,738	19,303	217,197	423,534	265,776	524,070	—	—	—	—
$7,000 under $8,000	*17,146	*12,859	248,611	479,420	237,181	583,982	—	—	—	—
$8,000 under $9,000	*20,003	*15,002	285,760	546,830	265,757	915,784	—	—	—	—
$9,000 under $10,000	*20,003	*15,002	382,918	741,433	300,048	1,127,340	*5,715	*903	—	—
$10,000 under $11,000	28,576	27,862	425,782	824,932	308,621	1,295,090	*5,715	*3,066	—	—
$11,000 under $12,000	*20,003	*17,146	371,488	711,971	245,754	1,250,703	*2,858	*1,109	—	—
$12,000 under $13,000	*17,146	*13,288	540,086	1,047,482	348,627	2,024,501	*11,430	*6,881	54,294	29,813
$13,000 under $14,000	*20,003	*14,145	697,254	1,359,075	425,782	2,797,862	*20,003	*5,358	128,592	64,690
$14,000 under $15,000	*8,573	*9,001	851,565	1,659,694	468,646	3,345,587	37,149	13,288	157,168	62,941
$15,000 under $16,000	*8,573	*7,716	1,274,490	2,452,335	614,384	4,636,439	88,586	35,814	291,475	89,386
$16,000 under $17,000	*11,430	*9,001	1,083,030	2,110,909	494,365	4,022,884	82,870	32,671	234,323	45,756
$17,000 under $18,000	*17,146	*12,002	1,334,499	2,590,443	537,229	4,521,898	108,589	48,131	305,763	32,611
$18,000 under $19,000	*8,573	*6,430	1,420,227	2,766,528	585,808	5,631,169	102,874	44,684	154,310	4,492
$19,000 under $20,000	*8,573	*7,716	1,243,056	2,418,987	517,226	5,540,095	80,013	41,792	—	—
$20,000 under $25,000	37,149	26,147	5,302,418	10,320,997	1,968,685	24,989,558	453,865	247,599	—	—
$25,000 under $30,000	*18,916	*13,478	3,993,742	7,757,081	1,371,445	23,600,371	293,205	144,827	—	—
$30,000 under $40,000	*9,458	*8,512	4,291,676	8,335,476	1,442,382	34,109,892	295,570	141,098	—	—
$40,000 or more	*5,927	*3,556	1,913,697	3,730,999	641,451	22,761,246	120,870	52,847	—	—
Nontaxable returns, total	**225,750**	**190,316**	**18,840,159**	**36,587,428**	**1,797,430**	**3,988,741**	**782,982**	**305,475**	**1,288,778**	**281,231**

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Income tax after credits		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
All returns, total	**12,079,332**	**21,574,333**	**17,700,232**	**31,282,719**	**16,556,473**	**13,324,092**	**2,167,273**	**593,951**
Under $1,000	228,608	7 684	231,466	8,679	277,187	21,269	225,750	7,427
$1,000 under $2 000	197,174	18,392	574,378	60,473	600,096	120,431	131,450	15,380
$2,000 under $3,000	162,883	25,818	582,950	94,695	568,662	173,899	100,016	18,974
$3,000 under $4,000	125,734	21,735	548,659	125,474	562,947	248,931	54,294	11,985
$4,000 under $5,000	137,165	28,190	574,378	175,840	600,096	350,490	40,006	8,090
$5,000 under $6,000	188,602	37,963	542,944	188,853	565,805	418,284	42,864	6,424
$6,000 under $7,000	265,776	78 626	728,707	334,678	728,707	604,845	54,294	7,584
$7,000 under $8,000	237,181	84 485	734,403	369,185	731,546	683,012	51,437	7,070
$8,000 under $9,000	265,757	133,661	631,531	388,931	642,961	589,483	57,152	16,717
$9,000 under $10,000	300,048	165,924	728,688	530,885	694,397	724,942	71,440	15,140
$10,000 under $11 000	308,621	189,547	720,115	596,150	682,966	716,998	60,010	13,342
$11,000 under $12,000	245,754	183,401	648,675	613,387	622,957	671,242	45,722	12,871
$12,000 under $13,000	348,627	264,762	674,394	733,446	634,387	638,754	60,010	17,111
$13,000 under $14,000	425,782	349,059	740,118	894,020	714,400	671,087	37,149	16,488
$14,000 under $15,000	468,646	425,031	665,821	917,138	614,384	557,038	57,152	13,799
$15,000 under $16,000	614,384	563,822	700,112	1,056,983	651,533	525,698	51,437	12,602
$16,000 under $17,000	494,365	525,001	557,232	875,440	514,368	371,259	45,722	8,636
$17,000 under $18,000	537,229	595,278	574,378	996,794	551,517	413,660	31,434	7,718
$18,000 under $19,000	585,808	794,741	591,523	1,103,691	511,510	330,264	77,155	21,095
$19,000 under $20,000	517,226	787,826	528,656	1,121,739	468,646	350,439	62,867	16,526
$20,000 under $25,000	1,968,685	3,517,930	1,965,828	4 862,620	1,761,066	1,412,913	213,334	68,224
$25,000 under $30,000	1,371,445	3,540,640	1,371,445	4,478,193	1,156 270	1,006,823	212,810	69,270
$30,000 under $40,000	1 442,382	5,278,046	1,442,382	6,402,701	1,239,029	1,203,712	203,352	79,057
$40,000 or more	641,451	3,956,770	641 451	4,352,725	461,034	518,617	180,417	122,423
Taxable returns, total	**12,079,332**	**21,574,333**	**11,507,812**	**28,187,237**	**9,895,406**	**7,207,096**	**2,167,273**	**593,951**
Under $1,000	228,608	7,684	*11,430	*366	*2,858	*109	225,750	7 427
$1,000 under $2,000	197,174	18,392	94,301	8,070	65,725	5,058	131,450	15,380
$2,000 under $3,000	162,883	25,818	114,304	15,597	62,867	8,753	100,016	18,974
$3,000 under $4,000	125,734	21,735	102,874	22,858	71,440	13,108	54,294	11,985
$4,000 under $5,000	137,165	28,190	105,731	45,136	94,301	25,035	40,006	8,090
$5,000 under $6,000	188,602	37,963	177,171	79,456	145,738	47,916	42,864	6,424
$6,000 under $7,000	265,776	78,626	248,630	148,043	211,482	77,001	54,294	7,584
$7,000 under $8,000	237,181	84,485	220,035	142,143	185,744	64,727	51,437	7,070
$8,000 under $9,000	265,757	133,661	242,896	195,097	208,605	78,153	57,152	16,717
$9,000 under $10,000	300,048	165,924	282,902	249,680	228,608	98,896	71,440	15,140
$10,000 under $11,000	308,621	189,547	302,906	299,248	248,611	123,043	60,010	13,342
$11,000 under $12,000	245,754	183,401	240,038	267,586	200,032	97,056	45,722	12,871
$12,000 under $13,000	348,627	264,762	337,197	413,195	288,618	165,544	60,010	17,111
$13,000 under $14,000	425,782	349,059	420,067	581,404	388,634	248,834	37,149	16,488
$14,000 under $15,000	468,646	425,031	462,931	705,270	411,494	294,038	57,152	13,799
$15,000 under $16,000	614,384	563,822	608,669	953,753	560,090	402,533	51,437	12,602
$16,000 under $17,000	494,365	525,001	491,507	814,367	448,643	298,002	45,722	8,636
$17 000 under $18,000	537,229	595,278	534,371	960,962	505,795	373,403	31,434	7,718
$18,000 under $19,000	585,808	794,741	585,808	1,099,813	505,795	326,166	77,155	21,095
$19,000 under $20,000	517,226	787,826	514,368	1,098,710	454,358	327,410	62,867	16,526
$20,000 under $25,000	1,968,685	3,517,930	1,954,397	4,852,867	1 749,636	1,403,160	213,334	68,224
$25,000 under $30,000	1,371,445	3,540,640	1,371,445	4,478,193	1,156,270	1,006,823	212,810	69,270
$30,000 under $40,000	1 442,382	5,278,046	1,442,382	6,402,701	1,239,029	1,203,712	203,352	79,057
$40,000 or more	641 451	3,956,770	641,451	4,352,725	461,034	518,617	180,417	122,423
Nontaxable returns, total	—	—	**6,192,420**	**3,095,481**	**6,661,067**	**6,116,996**	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based
NOTE Detail may not add to total because of rounding

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest received		Tax-exempt interest	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	**31,902,985**	**1,887,493,616**	**28,285,668**	**1,366,089,724**	**27,980,391**	**98,252,582**	**2,227,227**	**25,872,928**
Under $5 000	198,243	620,746	91,647	820,411	167 040	467 473	*13,585	*35,516
$5,000 under $10,000	697,541	5,367 434	315,900	3,048,293	548 672	1 843 454	26 948	211,096
$10,000 under $15 000	1 183 483	15 173 655	666 527	7,371 937	998 819	2 837 265	70 775	449 756
$15,000 under $20 000	1 681,798	29 546 235	1 294 276	20 675 350	1 257 635	2 494 721	64 692	462 038
$20,000 under $25,000	2 119 585	47 767 794	1 797 544	37 265 349	1 670 723	2 955 178	76 746	393 678
$25,000 under $30 000	2,459 551	67 723 454	2 231 134	56 322 165	1 962 029	2 893 291	95 843	330 324
$30,000 under $35,000	2 947 186	95 816 097	2 723 837	81 740 323	2 447 239	4 165 658	126 761	775 146
$35,000 under $40 000	3 054 690	114 766 913	2 867 611	98 874,401	2 635 228	3 908 741	114 019	686 438
$40,000 under $45 000	2 937,945	124 773 339	2 785 420	108 927 697	2 574 317	4 004 288	112 538	445 226
$45,000 under $50,000	2 586 666	122 787 727	2 454 516	108 123,748	2,299 361	3 726 475	103 735	794 552
$50,000 under $55 000	2,156,257	113 132 331	2 033 431	97 636,575	1 978 167	3 826 270	106 400	504 566
$55,000 under $60 000	1,773,212	101 801 516	1,676 870	87 737 475	1,640 606	3 339 426	99 207	407 163
$60,000 under $75 000	3,438 303	229 054 510	3 226,339	194 171 176	3 251,028	7 718 004	263 280	2 206,063
$75,000 under $100 000	2 280,238	194 046 957	2 081 853	151 333,587	2,203,969	9 300 303	295 218	2 056 525
$100 000 under $200,000	1 682 932	223 762 757	1 452,051	144 747 421	1 645 820	14 503 860	382 511	4 805 406
$200 000 under $500,000	531 688	157 100 092	440 421	86 914,839	526,548	11 268,684	186 703	4 697 763
$500,000 under $1 000 000	112 433	76 261 117	94 771	35 193 489	112,075	6,026 300	53 608	2 708 710
$1,000 000 or more	61 231	167 990 942	51 520	45,185 489	61,116	12 973,192	34 659	3 902 961
Total taxable returns	30 370 549	1 866 784 070	27 467 039	1,353 880,620	26 709 283	93 107 392	2 143 037	25 143 316
Total nontaxable returns	1 532 436	20 709 546	818 629	12,209 104	1 271 109	5 145 190	84 189	729 612

Size of adjusted gross income	Dividends		State income tax refunds		Alimony received		Business or profession net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	**11,884,111**	**54,903,150**	**15,921,502**	**9,961,864**	**224,538**	**1,836,587**	**6,523,370**	**92,819,128**
Under $5,000	67 825	101 064	54 774	32 760	—	—	94 498	– 165 144
$5,000 under $10,000	207,944	498 516	149 845	50,846	*15 679	*83 028	164 040	562 576
$10,000 under $15 000	346,784	841 448	352 860	126,532	*15 679	*62 899	304 848	1 802 180
$15,000 under $20 000	433 980	1 171 213	690 190	225 789	30,701	137 249	386 326	2 523 118
$20,000 under $25 000	502 975	1 037 618	963 502	305 515	*24 492	*121 730	476 416	3 201 749
$25,000 under $30 000	576 666	1 039 131	1 257 672	498 807	*17,346	*138 015	493 300	3 526,738
$30 000 under $35,000	820 008	1 576 269	1 589 325	563 669	28,375	177 089	546 040	3 255 900
$35,000 under $40 000	924 046	1 708 646	1 671 683	653,508	22 076	260 677	535 843	3 964 788
$40 000 under $45 000	975 106	1 317 908	1 604 942	639 538	*18 330	*151 038	535 776	3 705,981
$45 000 under $50 000	848 830	1 322 859	1 411 941	597 087	*13 395	*78 682	439 911	3 699 788
$50 000 under $55 000	800 978	1 436,775	1 163 883	515 676	*6 652	*35 412	364 784	3 843 067
$55,000 under $60 000	752 696	1 649 128	933 887	462 663	*3 359	*77 530	336 842	4 187 332
$60 000 under $75 000	1 604 881	4 132,357	1 783 543	935,246	9 603	76 099	621 687	8 979 972
$75 000 under $100,000	1,314 345	4 835,450	1 118 690	885,598	10 759	237 490	534 960	12 903 448
$100,000 under $200 000	1,137 480	8 329 752	812 908	1 161 562	6,195	154 391	485 867	19 423 210
$200 000 under $500,000	417 649	7 730 637	264 392	905,708	1 492	35 287	151 086	10 256 779
$500 000 under $1 000,000	96,458	4 338 147	60 786	473 005	227	4 752	32 513	3 097 353
$1 000 000 or more	55 461	11,836 232	36 679	928 356	176	5 219	18 632	4 050 295
Total taxable returns	11,396 131	53 287 826	15 450,672	9 703,200	210,083	1 754 981	5 979 900	90 601 300
Total nontaxable returns	487 980	1 615,324	470 830	258,664	*14 455	*81 606	543 470	2,217 828

Size of adjusted gross income	Sales of capital assets net gain less loss in AGI		Sales of property other than capital assets net gain less loss		Total taxable IRA distributions		Pensions and annuities in AGI	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	**8,048,764**	**127,438,186**	**983,278**	**2,337,554**	**1,199,039**	**6,253,730**	**6,054,913**	**60,560,927**
Under $5,000	50 583	211 799	11 384	9 909	*7 043	*19 469	22 631	72 973
$5,000 under $10 000	151 494	53 861	13 944	– 77 877	*9 890	*83,047	188 947	890 545
$10 000 under $15 000	255 821	147 768	26 597	20,464	63 190	252 152	324 242	2 019 257
$15 000 under $20 000	296 831	274 320	41 485	55 581	50 328	147 216	382 283	2 816 042
$20 000 under $25 000	378 699	489 356	55 353	13 966	80 607	215 876	397 357	3 583,559
$25 000 under $30 000	362 934	547 977	56 725	– 24 864	75 399	213 635	397 982	3 627 305
$30 000 under $35 000	526 423	611 404	48 439	17 904	92 669	411 374	443 048	3 833 025
$35 000 under $40 000	578 442	1 192 776	66 230	53 544	103 313	288 642	443 068	4 017 908
$40 000 under $45 000	532 257	717 970	55 413	61 101	114 094	435 677	522 542	4 387 000
$45 000 under $50 000	494 989	970 738	44 576	61 608	102 671	412 821	443 455	3 576 010
$50 000 under $55 000	451 021	1 388 457	41 720	62,345	87 154	360 802	429 736	3 646 886
$55 000 under $60 000	447 803	1 337 036	40 615	– 10,562	63 294	255 194	357 446	2 740 454
$60 000 under $75 000	1,003 793	3 430 509	108 612	211 944	164 935	917 950	719 492	7 622 989
$75,000 under $100 000	955 416	5 687 267	103 731	150 817	88 645	646 443	509 419	6 333 453
$100 000 under $200 000	1 003 511	17 394 696	138,266	362,054	70 356	748 984	346 961	5 842 296
$200 000 under $500 000	404 120	20 819 964	86 857	524 659	19 680	359 950	91 579	2 427 725
$500 000 under $1,000 000	97 932	15 338 025	25,340	279 278	3 546	151 590	22 051	1 082 680
$1 000 000 or more	56 696	56 824 262	17 992	565 681	2 226	332 910	12 673	2 040 821
Total taxable returns	7 659 352	125 940 564	939 039	2 372 662	1 155 843	5 979 064	5 723 749	58 808 805
Total nontaxable returns	389 412	1 497 623	44 239	– 35 109	43 196	274 665	331 164	1 752 122

Footnotes at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Rent and Royalty				Farm rental income less loss		Partnership and S Corporation net income less loss	
	Net income		Net loss					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	**2,498,705**	**20,190,966**	**3,744,225**	**24,058,821**	**174,354**	**756,906**	**3,999,698**	**66,733,395**
Under $5,000	22,452	62,124	53,201	410,291	*666	*39	24 197	-322,016
$5,000 under $10,000	74,966	191,057	91,784	644,016	*11,726	*20,458	58,377	-209,746
$10,000 under $15,000	124,045	467,457	113,618	749,959	—	—	97,522	96,223
$15,000 under $20,000	110,400	504,623	159,330	829,077	*5,715	*26,973	153 767	-381,009
$20,000 under $25,000	117,272	448,899	204,848	1,088,164	*16,160	*61,935	163,598	-326,376
$25,000 under $30,000	115,259	316,774	244,376	1,203,519	*13,028	*60,478	161,222	73,428
$30,000 under $35,000	173,385	402,162	243,215	1,331,393	*7,491	*11,081	191 444	84,645
$35,000 under $40,000	172,250	784 698	250,039	1,163,823	23,966	9 214	194,361	-46,619
$40,000 under $45,000	168,649	608,068	242,787	1,161,188	*7,491	*-6,587	242,023	609,952
$45,000 under $50,000	126,749	502,024	251,995	1,329,867	*5,282	*12,467	209,675	316,415
$50,000 under $55,000	136,288	628,047	236,410	1,393,329	12,356	29,530	182,638	378,991
$55,000 under $60,000	107,243	546,654	205,814	1,189,015	15,384	48,377	175,056	377,393
$60,000 under $75,000	269 757	1,522,292	430,181	2,618,388	17,647	133,184	430,709	1,896,658
$75,000 under $100,000	263,255	2,068,618	392,147	2,821,727	8,344	44,411	499,131	2,927,237
$100,000 under $200,000	304,774	3,895,830	401,341	2,916,281	20,611	176,194	712,007	10,836,328
$200,000 under $500,000	148,154	3,578,165	162,439	1,785,169	6,359	104 228	361,082	13,553,407
$500,000 under $1,000,000	39,122	1,653,207	38,950	706,302	1,388	6,985	89,884	8,618,395
$1,000,000 or more	24 686	2,010,266	21,750	717,315	742	17,939	53,005	28,250,090
Total taxable returns	2,322,700	19,283,243	3,520,599	22,069,988	164,806	750,351	3,806,845	68,523,440
Total nontaxable returns	176,005	907,723	223,626	1,988,833	9,548	6,555	192,853	-1,790,045

Size of adjusted gross income	Estate and trust net income less loss		Farm net income less loss		Unemployment compensation in AGI		Social Security benefits in AGI	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	**327,406**	**3,310,578**	**660,098**	**-1,473,953**	**1,950,133**	**3,601,166**	**1,929,073**	**7,569,141**
Under $5,000	*1,333	*4,011	9,573	-49,894	*6,374	*4,903	—	—
$5,000 under $10,000	*10,265	*16,458	9,012	-85,383	32,757	66,263	*3,166	*7 420
$10,000 under $15,000	*19,273	*39,426	34,465	-22,674	74,058	175,891	*11,523	*10,008
$15,000 under $20,000	*5,045	*42,865	36 930	-209,585	150,570	253,508	18,742	72,966
$20,000 under $25,000	13,887	23,694	39,233	-138,975	183,640	354,321	66,981	92,904
$25,000 under $30,000	*12,240	*36,039	54 179	-107,540	183,946	372,348	152,194	233,298
$30,000 under $35,000	23,189	91,907	42,093	-87,658	230,786	415,545	243,785	578,674
$35,000 under $40,000	23,385	37,397	54,098	-39,604	220,123	410,155	188,280	640,003
$40,000 under $45 000	12,808	58,011	54,922	-38,260	206,853	353 780	182,281	705,778
$45,000 under $50 000	13 691	58,461	58,208	-38,054	200,068	344 693	141,569	674,339
$50,000 under $55,000	13,670	29,949	38,871	101 673	122,397	240 660	136,817	561,989
$55,000 under $60,000	21,769	94,416	36,776	-63,890	92,692	165,627	90,931	398,040
$60,000 under $75,000	30,859	210,274	54,213	23,263	144,549	256,738	206,972	943,632
$75,000 under $100,000	28,838	141,874	49,621	23,304	73,252	123,815	178,583	889,386
$100,000 under $200,000	51,965	433,215	52,610	-271,605	24,641	54 071	202,249	1,093,241
$200,000 under $500,000	30,482	570,292	24,278	-175,444	2,708	6,873	77,714	487,597
$500,000 under $1,000,000	8,626	298,106	6,584	-147,684	551	1,466	17,093	108,896
$1,000,000 or more	6,080	1,124 182	4 432	-145,944	171	508	10,193	70,969
Total taxable returns	297,939	3,191,217	612,753	-1,322,500	1,861,435	3,426,717	1,902,621	7 488,946
Total nontaxable returns	29 467	119,361	47 345	-151,453	88,699	174 449	26,452	80,195

Size of adjusted gross income	Foreign earned income exclusion		Other income less loss		Total statutory adjustments		Itemized deductions
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total
	(41)	(42)	(43)	(44)	(45)	(46)	(47)
Total	**42,467**	**2,349,973**	**3,311,873**	**12,004,901**	**5,668,003**	**19,242,919**	**395,216,456**
Under $5,000	*230	*19 342	19,155	-198,632	21,943	20,871	1,556,386
$5,000 under $10,000	*13,817	*844,681	79,726	-11,354	108,986	175,334	5,636,813
$10 000 under $15,000	*230	*23,105	89 996	-60,526	181 447	240,986	9 348 681
$15,000 under $20,000	—	—	143,806	73,597	253 724	529,225	12,541,646
$20,000 under $25,000	*3,454	*125,731	191,617	90,898	377 484	815,475	16,033,227
$25,000 under $30,000	*3 445	*80,058	184,349	245,355	468,870	1,005,348	19,210,943
$30,000 under $35,000	*1,152	*91,154	235,524	436 356	514 258	1 046 688	25,061,389
$35,000 under $40 000	*3 685	*102,995	291,556	467,301	521,039	1 152,512	27,542,077
$40,000 under $45,000	*921	*79,657	266,471	411,534	534 310	1,036,082	28,222,144
$45,000 under $50,000	*230	*16,400	227,989	400,333	413,143	706,498	26,307,473
$50,000 under $55,000	*461	*29,504	251,765	515,131	257,541	683,058	23,369,277
$55,000 under $60,000	*461	*15,317	179,049	349 401	240,145	685,847	20,433,877
$60,000 under $75,000	*1 852	*118,266	405,995	537 083	559 654	1 928,205	46,262,800
$75,000 under $100,000	3 686	225,057	295,205	915,294	480,882	2,352,997	38,957,294
$100,000 under $200,000	5,538	329,130	282,762	1 844 404	500,734	3,721,364	42,219,155
$200,000 under $500,000	2,485	177 902	115,833	1,924,645	179,558	2,230,818	24,111,676
$500 000 under $1,000,000	597	51,280	31,202	1 048,873	35,346	553,900	9 765,330
$1,000,000 or more	223	20,393	19,874	3,015,208	18,940	357,712	18,636,268
Total taxable returns	30,708	1,597,056	3,135,720	12,380,057	5,415,007	18,705,557	373,923,491
Total nontaxable returns	11,759	752,918	176,154	-375,156	252,996	537,362	21,292,965

Footnote(s) at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued							
	Medical and dental expense deduction						Taxes paid deduction	
	Total		Prescription medicines and drugs		Miscellaneous medical expenses		Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
Total	**4,810,032**	**17,993,829**	**4,730,596**	**22,783,334**	**2,855,016**	**5,541,213**	**31,327,781**	**120,628,182**
Under $5,000	138 635	470 110	135 777	348 817	59 735	152 743	174 263	242 885
$5,000 under $10 000	462 785	2 582 001	451 354	2 133 484	234 770	714 252	580 684	666 844
$10 000 under $15,000	633 218	2,968 986	611 090	2 751 916	353 518	813 225	1 090 817	1 362 978
$15,000 under $20,000	650 105	2 326 413	642 266	2,738 445	347 407	432 293	1 606 561	2 330 091
$20,000 under $25,000	628 683	1 770 990	625 162	2 377 764	414 340	448 367	2 048 821	3 471 804
$25,000 under $30,000	505 907	1 234 667	505 907	2 004 590	290 023	256 233	2 410 509	4 444 791
$30,000 under $35,000	430 476	1 010 659	428 112	1 722 968	266 514	326 420	2 914 158	6 332 040
$35,000 under $40,000	356 135	1 114 532	349 041	1 819 232	236 238	292 901	3 034 484	7 379 669
$40,000 under $45,000	289 725	994 141	278 885	1 411 424	192 243	495 056	2 915 984	7 895 748
$45,000 under $50 000	167 829	367,498	167 165	846 429	106 267	109 520	2 573 509	7 706 542
$50,000 under $55,000	136 144	508,070	134 817	772 569	82 216	270 157	2 148 069	7 110 053
$55,000 under $60,000	94 626	324 525	92 230	636 904	62 505	87 977	1 761 371	6 423 878
$60,000 under $75 000	184 398	957 313	180 141	1 505 736	121 567	361 210	3 418 902	14 695 289
$75,000 under $100,000	78 943	448 830	77 663	729 263	52 344	219 371	2 273 717	12 814 506
$100,000 under $200,000	44 044	591 098	42 863	671 458	29 358	340 620	1 675 422	14 633 135
$200 000 under $500,000	7 617	289 195	7 366	265 429	5 461	186 034	527 559	9 803 349
$500,000 under $1 000 000	617	29 000	617	29 842	466	30 953	112 026	4 442 800
$1 000 000 or more	144	5 802	139	17 062	46	3 882	60 924	8 871 779
Total taxable returns	3 821 470	10 439 394	3 774 860	16 621 870	2 365 213	3 278 892	29 992 850	118 283 709
Total nontaxable returns	988,562	7 554 435	955 735	6 161 464	489 804	2 262 321	1 334 931	2 344 473

Size of adjusted gross income	Itemized deductions—Continued							
	Taxes paid deduction—Continued							
	State and local income taxes		Real estate taxes		Personal property taxes		Other taxes	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
Total	**26,256,909**	**74,692,710**	**27,752,120**	**40,957,273**	**10,284,694**	**2,672,327**	**7,107,596**	**2,305,871**
Under $5,000	93 941	57 391	142 205	172 568	47 022	6 391	15 873	6 535
$5 000 under $10,000	321 462	148 784	445 237	466 093	182 663	33 119	93 747	18 848
$10,000 under $15 000	701 778	306 351	921 926	976 145	316 539	51 799	206 816	28 683
$15 000 under $20 000	1 240 742	838 973	1 334 273	1 349 089	466 730	78 547	311 004	63 482
$20 000 under $25 000	1 685 048	1 532,014	1 665 241	1 723 966	621 056	119 868	414 913	95 957
$25,000 under $30 000	2 021 494	2 155 981	2 042 383	2 010 100	774 100	127 167	614 563	151 542
$30 000 under $35,000	2 453 864	3 203 975	2 489 560	2 762 074	859 657	189 486	658 007	176 504
$35 000 under $40 000	2 587 113	4 017 558	2 626 684	3 002 943	938 229	178 166	664 787	181 002
$40 000 under $45 000	2 482 922	4 334 515	2 625 509	3 198 826	936 939	202 050	628 226	160 358
$45 000 under $50 000	2 221 944	4 415 117	2 319 156	2 867 368	826 554	206 255	536 704	197 802
$50 000 under $55 000	1 865 640	4 071 361	1 973 313	2 699 481	724 735	188 126	515 516	151 085
$55 000 under $60 000	1 535 994	3 792 375	1 602 101	2 309 808	614 549	168 530	417 078	153 166
$60 000 under $75 000	2 985 184	8 755 238	3 189 484	5 272 451	1 218 245	349 784	884 023	317 816
$75 000 under $100 000	1 989 148	7 981 313	2 137 573	4 360 536	844 766	276 932	539 165	195 726
$100 000 under $200 000	1 459 908	9 731 436	1 571 328	4 448 094	643 016	263 010	386 578	190 595
$200 000 under $500 000	458 758	7 462 704	501 063	2 102 203	203 301	131 537	122 493	107 416
$500 000 under $1 000 000	98 081	3 713 232	106 832	646 068	43 390	42 474	27 954	41 026
$1 000 000 or more	53 887	8 174 391	58 252	569 461	23 204	59 588	16 744	68 339
Total taxable returns	25 462 634	74 032 289	26 629 770	39 448 020	9 855 278	2 585 515	6 872 227	2 217 884
Total nontaxable returns	794 275	660 421	1 122 350	1 509 253	429 416	86 812	235 369	87 967

Size of adjusted gross income	Itemized deductions—Continued							
	Interest paid deduction							
	Total		Home mortgage interest					
			Total		Paid to financial institutions		Paid to individuals	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)
Total	**29,631,009**	**179,737,720**	**25,992,894**	**149,166,281**	**25,461,197**	**144,507,994**	**1,590,548**	**4,658,287**
Under $5 000	156 180	670 401	126 906	546 703	118 962	488 671	[illegible]	58 033
$5 000 under $10 000	471 838	1 611 781	331 425	1 286 395	319 415	1 262 143	[illegible]	24 255
$10 000 under $15 000	917 690	3 431 013	743 849	3 064 161	723 255	2 966 461	42 659	97 701
$15 000 under $20 000	1 447 091	5 650 793	1 217 201	4 899 539	1 193 761	4 776 708	64 761	122 830
$20 000 under $25,000	1 945 115	7 325 548	1 579 000	6 367 431	1 545 512	6 116 720	100 651	250 711
$25 000 under $30 000	2 331 889	9 755 198	1 956 177	8 472 821	1 884 282	8 112 517	139 224	360 304
$30 000 under $35 000	2 800 712	12 823 300	2 437 695	11 057 546	2 387 998	10 621 581	137 812	435 964
$35 000 under $40 000	2 917 335	13 979 752	2 556 519	12 104 673	2 501 306	11 753 581	152 594	351 292
$40 000 under $45 000	2 815 673	14 333 594	2 528 802	12 438 854	2 465 462	12 090 048	146 272	348 806
$45 000 under $50 000	2 470 255	13 088 794	2 235 827	11 318 368	2 193 445	11 065 238	134 291	[illegible]
$50 000 under $55,000	2 069 158	11 479 721	1 870 600	9 909 990	1 846 531	9 665 946	91 034	244 044
$55 000 under $60 000	1 686 020	9 994 814	1 541 853	8 655 765	1 514 201	8 446 709	76 214	[illegible]
$60 000 under $75 000	3 298 960	22 221 585	3 017 812	19 356 598	2 974 034	18 799 350	193 905	[illegible]
$75 000 under $100 000	2 135 643	18 397 492	1 945 205	15 449 218	1 920 268	15 079 639	125 892	369 580
$100 000 under $200 000	1 534 748	18 351 853	1 369 401	14 923 390	1 345 146	14 435 462	105 944	487 928
$200 000 under $500 000	478 041	9 146 657	412 160	6 454 907	403 827	6 193 968	34 801	260 939
$500 000 under $1 000 000	100 214	3 058 006	81 543	1 733 206	80 274	1 657 360	6 416	75 845
$1 000 000 or more	54 447	4 417 418	40 918	1 126 515	39 926	1 075 695	2 977	50 819
Total taxable returns	28 447 348	171 348 657	24 963 162	142 654 553	24 453 710	138 216 977	1 522 839	4 443 576
Total nontaxable returns	1 183 661	8 389 063	1 029 733	6 511 728	1 007 487	6 290 016	67 709	214 711

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued							
	Interest paid deduction—Continued							
	Deductible points		Investment interest paid		Personal interest paid		Personal interest deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)
Total	**2,449,237**	**3,662,320**	**1,735,632**	**10,628,453**	**25,855,529**	**39,511,896**	**25,839,032**	**16,280,665**
Under $5,000	*9,471	*5,310	14,769	33,760	111,945	155,907	111,945	84,628
$5,000 under $10,000	*15,039	*21,528	23,909	160,597	349,678	315,784	349,678	143,262
$10,000 under $15,000	24,291	28,740	27,156	51,981	698,043	682,003	698,043	286,131
$15,000 under $20,000	93,158	78,512	47,208	97,877	1,192,836	1,374,878	1,191,455	574,865
$20,000 under $25,000	98,546	104,526	67,946	84,186	1,653,246	1,853,402	1,653,246	769,406
$25,000 under $30,000	158,725	165,499	65,962	121,490	2,003,325	2,398,497	2,003,325	995,387
$30,000 under $35,000	199,948	246,406	76,448	186,314	2,467,319	3,225,337	2,465,939	1,333,034
$35,000 under $40,000	194,970	215,351	80,941	211,356	2,616,420	3,562,798	2,616,420	1,448,171
$40,000 under $45,000	226,582	283,710	97,431	174,070	2,555,741	3,513,052	2,554,360	1,436,960
$45,000 under $50,000	180,353	238,065	78,775	125,747	2,240,940	3,435,883	2,240,940	1,406,614
$50,000 under $55,000	190,435	287,885	79,163	99,470	1,869,556	2,901,164	1,868,892	1,182,377
$55,000 under $60,000	165,871	267,593	74,851	111,907	1,541,015	2,350,947	1,536,095	959,548
$60,000 under $75,000	343,188	498,931	176,319	358,787	2,944,007	4,958,859	2,940,414	2,007,268
$75,000 under $100,000	257,687	489,702	225,470	1,018,148	1,872,436	3,520,225	1,870,518	1,440,424
$100,000 under $200,000	212,285	495,539	332,761	1,695,743	1,266,820	2,930,670	1,266,205	1,237,182
$200,000 under $500,000	63,412	174,826	181,398	1,930,424	362,857	1,392,550	362,316	586,499
$500,000 under $1,000,000	10,541	38,452	51,482	1,122,405	71,577	396,717	71,512	163,943
$1,000,000 or more	4,734	21,747	33,643	3,044,192	37,769	543,223	37,731	224,965
Total taxable returns	2,391,347	3,585,233	1,640,126	9,424,027	24,963,050	38,160,990	24,946,553	15,684,844
Total nontaxable returns	57,890	77,087	95,506	1,204,427	892,479	1,350,906	892,479	595,822

Size of adjusted gross income	Itemized deductions—Continued							
	Contributions deduction							
	Total		Cash contributions		Other than cash contributions		Carryover from prior years	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)
Total	**29,110,570**	**50,949,273**	**28,621,202**	**42,834,342**	**10,671,964**	**6,711,616**	**172,981**	**1,403,315**
Under $5,000	151,948	93,112	144,806	76,135	36,033	9,815	*8,914	*7,163
$5,000 under $10,000	488,394	425,130	474,838	387,999	104,739	29,298	7,239	7,833
$10,000 under $15,000	944,721	998,192	911,637	885,657	260,192	103,527	22,099	9,008
$15,000 under $20,000	1,403,750	1,406,151	1,386,582	1,257,580	407,814	130,580	6,981	17,992
$20,000 under $25,000	1,864,678	2,043,100	1,817,288	1,798,605	579,333	230,621	12,194	13,874
$25,000 under $30,000	2,164,741	2,310,136	2,105,515	2,059,750	695,467	243,657	5,167	6,730
$30,000 under $35,000	2,680,510	2,833,191	2,629,395	2,502,237	860,228	296,787	13,115	34,168
$35,000 under $40,000	2,738,753	3,076,144	2,698,745	2,734,886	953,041	312,614	*9,824	*28,645
$40,000 under $45,000	2,719,960	3,295,754	2,666,967	2,951,390	947,270	327,927	10,804	16,438
$45,000 under $50,000	2,425,183	3,324,339	2,384,656	2,983,755	854,153	303,479	8,553	37,105
$50,000 under $55,000	2,022,744	2,759,033	1,999,339	2,433,612	790,876	312,852	8,310	12,569
$55,000 under $60,000	1,686,168	2,438,604	1,663,022	2,130,572	662,673	293,329	6,439	14,703
$60,000 under $75,000	3,318,477	5,528,973	3,277,540	4,788,759	1,490,379	692,773	13,805	47,441
$75,000 under $100,000	2,197,810	4,590,301	2,176,622	3,901,318	1,056,965	612,356	13,502	76,626
$100,000 under $200,000	1,618,863	5,579,518	1,604,242	4,631,217	710,355	724,693	14,109	223,609
$200,000 under $500,000	514,441	3,688,094	511,668	2,998,538	201,430	451,502	7,371	238,054
$500,000 under $1,000,000	109,585	1,814,840	108,811	1,313,193	39,756	326,691	2,538	174,956
$1,000,000 or more	59,847	4,744,661	59,531	2,999,141	21,261	1,309,116	2,018	436,404
Total taxable returns	27,981,268	49,661,237	27,538,042	41,756,818	10,386,625	6,588,391	147,105	1,316,027
Total nontaxable returns	1,129,302	1,288,036	1,083,160	1,077,523	285,339	123,225	25,876	87,288

Size of adjusted gross income	Itemized deductions—Continued							
	Moving expenses		Casualty or theft loss		Miscellaneous deductions not subject to AGI limitation		Miscellaneous deductions subject to AGI limitation	
							Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)
Total	**912,394**	**3,633,937**	**133,499**	**1,235,777**	**821,846**	**1,629,361**	**7,444,166**	**19,408,378**
Under $5,000	*230	*31	—	—	—	—	72,852	79,846
$5,000 under $10,000	*5,715	*6,358	*5,074	*23,260	24,253	43,138	185,187	278,300
$10,000 under $15,000	*15,466	*87,836	*8,573	*85,808	*12,814	*11,324	246,810	402,544
$15,000 under $20,000	35,491	103,451	*11,451	*28,047	45,469	49,974	372,388	646,726
$20,000 under $25,000	63,979	167,090	*22,776	*198,419	66,009	120,858	515,827	935,417
$25,000 under $30,000	58,528	141,883	*14,207	*52,755	71,412	93,138	640,791	1,178,374
$30,000 under $35,000	99,227	272,365	17,477	152,746	68,985	92,249	798,517	1,544,839
$35,000 under $40,000	60,125	150,434	*16,462	*281,666	85,916	158,625	764,442	1,401,255
$40,000 under $45,000	89,114	270,676	*9,802	*27,481	87,593	86,445	681,182	1,318,304
$45,000 under $50,000	59,474	164,577	*2,762	*39,676	57,091	119,406	629,019	1,496,641
$50,000 under $55,000	52,789	219,222	*5,455	*52,611	57,730	122,111	494,009	1,118,456
$55,000 under $60,000	39,066	118,445	*5,584	*62,576	44,294	67,662	381,559	1,003,375
$60,000 under $75,000	131,231	607,551	*8,109	*48,949	70,989	97,162	752,333	2,105,978
$75,000 under $100,000	105,037	552,524	*1,798	*93,132	68,162	77,217	475,574	1,983,292
$100,000 under $200,000	81,439	625,322	3,784	49,291	44,660	224,614	340,471	2,164,325
$200,000 under $500,000	12,844	117,234	124	24,543	11,700	112,363	75,613	930,241
$500,000 under $1,000,000	1,920	21,573	56	14,273	2,809	55,451	12,538	329,387
$1,000,000 or more	719	7,365	*5	*543	1,958	97,623	5,053	491,078
Total taxable returns	888,141	3,510,416	116,150	651,278	795,874	1,528,013	7,052,841	18,500,787
Total nontaxable returns	24,253	123,522	17,349	584,498	25,972	101,348	391,325	907,591

Footnote(s) at end of table.

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued				Exemptions		Taxable income		Income tax before credits	
	Miscellaneous deductions subject to AGI limitation—Continued									
	Unreimbursed employee business expenses		Tax preparation fee		Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount						
	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)
Total	**7,743,478**	**17,488,565**	**9,090,301**	**2,165,187**	**86,774,234**	**168,558,976**	**30,574,747**	**1,333,770,592**	**30,568,614**	**294,875,893**
Under $5,000	23,408	56,021	59,690	9,639	343,978	654,279	*11,430	*24,578	*11,430	*4,246
$5,000 under $10,000	78,203	118,361	194,818	38,455	1,007,866	1,921,695	272,225	541,862	268,709	98,518
$10,000 under $15,000	123,409	242,239	362,008	58,230	2,161,499	4,134,963	826,761	3,791,650	821,779	561,274
$15,000 under $20,000	257,977	516,921	410,281	73,209	3,484,177	6,753,805	1,494,914	11,328,409	1,494,913	1,747,102
$20,000 under $25,000	450,152	782,180	576,848	75,826	4,662,472	9,048,562	2,040,281	23,229,728	2,040,281	3,499,539
$25,000 under $30,000	570,228	1,075,565	643,218	86,479	5,779,835	11,189,633	2,427,050	37,634,470	2,429,414	5,886,373
$30,000 under $35,000	779,718	1,445,501	837,487	119,998	7,608,730	14,759,795	2,925,986	56,259,880	2,925,986	9,116,006
$35,000 under $40,000	796,989	1,343,363	832,777	129,171	8,596,116	16,710,876	3,039,506	70,921,593	3,039,506	11,632,367
$40,000 under $45,000	816,214	1,314,819	807,236	129,898	8,554,111	16,612,127	2,930,556	80,085,732	2,930,556	13,203,859
$45,000 under $50,000	724,967	1,486,350	792,095	117,333	7,872,902	15,316,152	2,583,508	81,215,295	2,583,508	13,768,037
$50,000 under $55,000	613,131	1,148,111	616,172	126,685	6,642,433	12,921,617	2,152,817	76,893,116	2,152,817	13,838,038
$55,000 under $60,000	477,346	968,169	514,073	98,455	5,433,029	10,575,777	1,772,135	70,821,310	1,772,135	13,394,484
$60,000 under $75,000	902,055	2,182,206	989,198	232,424	10,560,244	20,575,038	3,435,983	162,269,243	3,435,983	32,928,560
$75,000 under $100,000	594,394	2,015,341	684,025	225,893	6,877,374	13,394,095	2,277,912	141,785,239	2,277,912	31,731,201
$100,000 under $200,000	412,268	1,943,714	548,263	306,532	5,087,594	9,898,393	1,679,839	171,843,627	1,679,839	44,959,595
$200,000 under $500,000	99,539	639,650	169,056	188,407	1,598,492	3,111,580	530,568	130,016,581	530,567	37,455,412
$500,000 under $1,000,000	16,803	140,065	34,948	76,686	331,773	646,248	112,199	65,948,443	112,201	18,805,730
$1,000,000 or more	6,677	69,989	18,110	71,867	171,608	334,340	61,076	149,159,834	61,076	42,245,550
Total taxable returns	7,578,334	17,025,759	8,633,950	2,060,661	82,939,010	161,176,866	30,356,927	1,332,786,988	30,362,152	294,725,602
Total nontaxable returns	165,144	462,806	456,351	104,526	3,835,223	7,382,110	217,820	983,604	206,461	150,292

Size of adjusted gross income	Total tax credits		Income tax after credits		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)
Total	**5,116,890**	**3,365,299**	**30,362,130**	**291,510,594**	**104,284**	**907,579**	**30,370,549**	**292,418,174**
Under $5,000	—	—	*11,430	*4,246	*14	*423	*11,444	*4,669
$5,000 under $10,000	*20,662	*2,668	248,048	95,851	*7	*161	248,055	96,012
$10,000 under $15,000	123,012	34,695	743,946	526,579	1,454	7,392	744,736	533,971
$15,000 under $20,000	328,679	80,824	1,448,217	1,666,277	1,250	9,577	1,448,801	1,675,854
$20,000 under $25,000	188,196	81,643	2,019,554	3,417,896	*1,357	*11,899	2,020,609	3,429,795
$25,000 under $30,000	320,105	124,495	2,414,624	5,761,879	2,399	8,942	2,414,978	5,770,821
$30,000 under $35,000	463,211	179,778	2,916,169	8,936,228	6,157	26,383	2,916,900	8,962,611
$35,000 under $40,000	472,950	215,146	3,030,569	11,417,221	*1,799	*2,099	3,030,570	11,419,320
$40,000 under $45,000	509,025	195,897	2,929,662	13,007,962	1,672	6,177	2,930,075	13,014,139
$45,000 under $50,000	494,049	236,085	2,579,632	13,531,952	1,736	13,977	2,579,805	13,545,928
$50,000 under $55,000	416,489	188,379	2,151,327	13,649,660	2,434	9,935	2,152,131	13,659,595
$55,000 under $60,000	342,364	158,689	1,772,135	13,235,795	1,772	6,885	1,772,520	13,242,680
$60,000 under $75,000	626,003	295,171	3,435,682	32,633,389	9,913	20,844	3,436,120	32,654,233
$75,000 under $100,000	387,854	282,355	2,277,908	31,448,846	14,881	54,327	2,278,225	31,503,173
$100,000 under $200,000	278,237	328,880	1,679,491	44,630,714	33,585	188,641	1,681,008	44,819,356
$200,000 under $500,000	99,618	319,163	530,476	37,136,249	17,348	249,783	531,116	37,386,032
$500,000 under $1,000,000	27,664	214,029	112,191	18,591,701	4,329	122,380	112,310	18,714,081
$1,000,000 or more	18,772	427,402	61,068	41,818,149	2,176	167,756	61,144	41,985,905
Total taxable returns	4,910,428	3,215,007	30,362,130	291,510,594	104,284	907,579	30,370,549	292,418,174
Total nontaxable returns	206,461	150,292	—	—	—	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Table 2.2—Returns With Itemized Deductions: Sources of Income and Adjustments, Deductions and Tax Items, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of husbands and wives		Separate returns of husbands and wives		Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	31,902,985	1,887,493,616	22,503,716	1,514,269,070	582,615	24,928,560	1,881,582	70,233,708	22,456	989,512	6,912,616	277,072,766
Salaries and wages	28,285,668	1,366,089,724	20,729,077	1,115,945,698	516,052	16,674,581	1,764,669	56,420,110	20,200	621,475	5,255,670	176,427,859
Taxable interest received	27,980,391	98,252,582	20,136,555	67,876,215	431,111	1,403,407	1,477,469	2,477,745	20,331	140,347	5,914,924	26,354,869
Tax-exempt interest	2,227,227	25,872,928	1,504,323	17,253,824	33,451	570,342	57,984	379,766	6,078	15,150	625,390	7,653,847
Dividends	11,884,111	54,903,150	8,598,854	36,705,287	139,158	1,085,853	483,880	1,356,748	6,400	38,290	2,655,820	15,716,972
State income tax refunds	15,921,502	9,961,864	11,663,129	7,579,588	238,838	128,151	1,024,030	492,977	15,179	4,795	2,980,326	1,756,352
Alimony received	224,538	1,836,587	47,314	195,010	†	†	92,378	922,110	†	†	80,111	691,644
Business or profession												
Net income	4,929,672	−102,286,783	4,102,990	−86,011,965	50,589	−1,225,407	150,887	−2,939,992	*2,142	*−21,368	623,064	−12,088,051
Net loss	1,593,697	−9,467,655	1,300,996	−7,736,492	17,286	−107,487	58,237	−361,996	*675	*−6,026	216,504	−1,255,653
Sales of capital assets												
Net gain in AGI	5,223,631	−132,587,558	3,816,461	−101,952,196	63,722	−2,640,616	167,545	−3,288,959	2,162	−53,396	1,173,741	−24,652,390
Net loss in AGI	2,825,133	−5,149,372	2,011,504	−3,622,920	36,428	−42,770	108,617	−210,897	*680	*−243	667,904	−1,272,542
Sales of property other than capital assets	983,278	2,337,554	753,580	1,991,854	7,196	32,668	27,498	117,529	*827	*−11,224	194,178	206,726
Taxable IRA distributions	1,199,039	6,253,730	931,874	5,013,950	21,075	82,943	48,823	260,724	*5	*8	197,262	896,105
Pensions and annuities in AGI	6,054,913	60,560,927	4,354,673	46,401,831	87,987	725,162	242,878	1,432,893	8,661	112,768	1,360,714	11,888,274
Rent and royalty												
Net income	2,498,705	20,190,966	1,914,050	16,274,404	20,711	141,921	78,378	516,689	47	1,812	485,520	3,256,139
Net loss	3,744,225	24,058,821	2,858,070	19,432,699	34,877	186,797	160,031	708,974	921	4,942	690,326	3,725,409
Farm rental income less loss	174,354	756,906	122,869	419,540	*5,252	*23,094	*4,000	*5,259	—	—	42,233	309,013
Partnership and S Corporation net income less loss	3,999,698	66,733,395	3,156,030	56,596,177	39,089	1,085,853	101,052	1,503,000	5,656	18,827	697,871	7,529,538
Estate and trust net income less loss	327,406	3,310,578	194,177	1,587,692	4,619	136,257	9,989	127,124	*2,370	*7,011	116,252	1,452,494
Farm net income less loss	660,098	−1,473,953	573,203	−1,235,566	3,865	−25,128	9,606	−42,888	*2,278	*−6,381	71,145	−163,989
Unemployment compensation in AGI	1,950,133	3,601,166	1,528,113	2,837,816	35,874	58,073	104,264	174,483	—	—	281,882	530,794
Social Security benefits in AGI	1,929,073	7,569,141	1,221,637	5,201,692	37,220	117,806	33,716	80,465	*5,946	*5,031	630,555	2,164,148
Other income less loss	3,311,873	12,004,901	2,620,833	10,077,131	43,813	47,444	124,303	374,235	1,555	9,640	521,369	1,496,451
Total statutory adjustments	5,668,003	19,242,919	4,208,715	14,715,841	69,856	310,664	263,757	912,117	8,727	16,461	1,116,949	3,287,835
Employee business expenses	953,491	3,148,836	744,490	2,520,664	22,680	69,306	46,201	117,634	*1,281	*1,844	138,839	439,387
Primary IRA payments	2,775,468	4,219,049	1,947,128	2,955,118	31,245	55,175	137,549	196,547	*6,241	*12,482	653,303	999,728
Secondary IRA payments	1,487,831	1,910,273	1,487,831	1,910,273	—	—	—	—	—	—	—	—
Payments to a Keogh plan	647,632	5,961,670	521,924	4,996,903	5,321	49,692	30,975	211,103	*7	*128	89,405	703,844
Alimony paid	352,301	3,208,131	197,346	1,679,203	14,834	131,854	26,596	353,162	—	—	113,525	1,043,912
Total itemized deductions	31,902,985	395,216,456	22,503,716	307,243,606	582,615	5,304,980	1,881,582	17,532,213	22,456	261,875	6,912,616	64,873,782
Medical and dental expense deduction	4,810,032	17,993,829	3,088,554	8,819,673	103,552	259,109	321,088	706,564	*7,138	*9,814	1,289,700	8,198,669
Taxes paid deduction	31,327,781	120,628,182	22,314,493	95,196,347	563,455	1,611,886	1,850,613	4,941,438	22,456	72,404	6,576,765	18,806,106
Interest paid deduction	29,631,009	179,737,720	21,611,240	144,886,239	517,682	2,286,576	1,820,771	9,019,248	21,791	127,580	5,659,525	23,418,076
Contributions deduction	29,110,570	50,949,273	21,024,170	40,056,349	476,940	722,192	1,686,411	1,765,189	20,091	30,408	5,902,959	8,375,136
Casualty or theft loss	133,499	1,235,777	70,158	1,025,116	—	—	21,989	52,316	—	—	41,352	158,344
Moving expense deduction	912,394	3,633,937	663,839	2,837,704	9,992	56,046	29,550	99,144	*1,198	*3,143	207,815	637,901
Total miscellaneous deductions	8,056,903	21,037,739	5,297,358	14,422,178	148,945	369,171	537,531	948,314	*3,924	*18,527	2,069,146	5,279,549
Taxable income	30,574,747	1,333,770,592	21,794,288	1,068,370,811	548,978	18,172,566	1,793,224	44,760,669	20,329	613,389	6,417,928	201,853,157
Total tax credits	5,116,890	3,365,299	4,312,122	2,813,698	28,375	67,752	617,548	284,535	5,314	3,327	153,531	195,988
Child care credit	4,185,354	1,749,560	3,702,948	1,521,501	21,940	10,729	452,868	213,926	*2,397	*1,516	5,200	1,889
Credit for the elderly and disabled	36,416	9,130	*14,288	*4,669	—	—	*5,715	*1,329	—	—	*16,413	*3,132
Foreign tax credit	363,339	800,555	270,365	631,344	2,753	45,376	2,192	8,073	*24	*188	88,007	115,574
Earned income credit used to offset income tax before credits	341,695	61,836	167,531	21,729	—	—	171,306	38,543	*2,858	*1,563	—	—
Minimum tax credit	26,293	203,019	20,908	168,399	235	3,849	1,063	10,306	—	—	4,087	20,465
General business credit	180,370	492,552	151,158	431,081	2,836	7,599	3,264	7,998	*15	*58	23,097	45,817
Income tax after credits	30,362,130	291,510,594	21,661,420	233,521,418	546,849	4,282,046	1,721,939	8,491,545	20,329	120,031	6,411,592	45,095,554
Alternative minimum tax	104,284	907,579	77,587	727,686	5,172	26,773	3,310	18,523	*5	*167	18,210	134,431
Total income tax	30,370,549	292,418,174	21,666,969	234,249,104	546,915	4,308,819	1,722,054	8,510,068	20,329	120,197	6,414,282	45,229,985
Total tax liability	30,793,933	303,645,308	21,984,194	243,603,622	557,869	4,426,850	1,743,295	8,813,337	22,455	120,811	6,486,119	46,680,689
Total taxpayments	30,987,592	301,014,545	22,131,925	239,009,762	567,279	4,113,859	1,843,556	10,578,413	20,325	136,802	6,424,507	47,175,709
Income tax withheld	28,573,310	218,414,523	20,819,264	175,331,949	525,539	2,642,563	1,756,546	8,758,447	20,280	110,911	5,451,680	31,570,654
Estimated tax payments	5,373,154	62,224,065	3,639,733	47,193,269	73,317	1,001,558	168,696	1,371,755	2,127	21,224	1,489,280	12,636,260
Overpayment refunded	20,393,396	33,434,049	14,152,369	24,381,413	312,071	356,300	1,551,351	2,700,824	15,738	28,713	4,361,867	5,966,799
Tax due at time of filing	9,802,146	44,547,555	7,362,217	35,499,322	254,419	834,801	275,593	1,098,729	5,815	14,983	1,904,103	7,099,721

* Estimate should be used with caution because of the small number of sample returns on which it is based.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents: Total: Number of returns	Exemptions for dependents: Total: Number of exemptions	Exemptions for dependents: Total: Adjusted gross income less deficit	Exemptions for dependents: Total: Total income tax: Number of returns	Exemptions for dependents: Total: Total income tax: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	**109,708,280**	**221,884,006**	**147,928,271**	**39,748,227**	**73,955,735**	**1,498,013,805**	**30,222,931**	**186,623,448**
Under $5 000	17 885 309	15 566 450	11 533 156	2 317 191	4 033 294	– 13 142 895	2 140	52 374
$5 000 under $10 000	15 400 920	23,179 088	16 754 753	3 636 706	6 424 335	27 784 375	155 997	28,842
$10 000 under $15 000	13 716 042	24 568 818	17 416,465	4 111 464	7 152 354	51 551 687	1 121 054	440,347
$15,000 under $20 000	11 760 230	23 408,322	15 984 554	4 099 948	7 423 767	71 566 527	3 561 091	2 927 952
$20 000 under $25,000	9 278 762	19,993 050	13 469 819	3 489 401	6 523 231	78 324 121	3 380 170	4 846,323
$25 000 under $30,000	7 517 739	17 969 036	11 599 215	3 302 819	6 369 821	90 891 836	3 257 402	6 815 599
$30 000 under $35 000	6 456 475	16,514 645	10 518 352	3 138 848	5 996 293	101 703 304	3 113 959	8 458,524
$35 000 under $40 000	5,500 125	15,169 137	9 454 177	2 947 232	5 714 960	110 590 724	2 935 261	9 891 813
$40 000 under $45 000	4 531,777	12 893 822	8,097 426	2,536 901	4 796 396	107 533 112	2 535 349	10 276,634
$45 000 under $50 000	3,732,737	10,956 610	6 898 907	2,102,224	4 057 703	99 726 198	2 101 563	10 205 183
$50 000 under $55,000	2,818 492	8,451,100	5,227,823	1 659 800	3 223 277	86 992 594	1 656 882	9 907,702
$55 000 under $60 000	2,170,626	6,535 089	4 097 222	1 286 894	2 437 866	73 800 834	1 286 207	9 033 307
$60,000 under $75,000	3 914 967	11 755 651	7 442,213	2 293 144	4 313 438	152 568 091	2 292 428	20 442,944
$75,000 under $100 000	2 520 476	7 470 231	4,763,204	1 430 194	2 707 027	121 808 524	1 428 979	18 720 355
$100 000 under $200 000	1,778,258	5 306 867	3 329,527	1 012,725	1 977 340	133 926 337	1 012 124	25 580 207
$200 000 under $500 000	548 472	1 636,005	1 014 417	296 366	621 589	87 135 635	296 062	20 372 376
$500 000 under $1 000 000	114 808	336 788	212 895	57 999	123 894	39 053 834	57 939	9 517 926
$1 000 000 or more	62 065	173 296	114 146	28,370	59 150	76 198 968	28 323	19 105 041
Total taxable returns	87 135 332	177,285,900	121,569 778	30 222 931	55 716 122	1 431 540 833	30 222 931	186 623 448
Total nontaxable returns	22 572 948	44 598 106	26 358 493	9 525 296	18 239 613	66 472 972	—	—

Size of adjusted gross income	Exemptions for dependents—Continued: Exemptions for children at home: Number of returns	Exemptions for children at home: Number of exemptions	Exemptions for children at home: Adjusted gross income less deficit	Exemptions for children at home: Total income tax: Number of returns	Exemptions for children at home: Total income tax: Amount	Exemptions for children away from home: Number of returns	Exemptions for children away from home: Number of exemptions	Exemptions for children away from home: Adjusted gross income less deficit	Exemptions for children away from home: Total income tax: Number of returns	Exemptions for children away from home: Total income tax: Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Total	**37,287,966**	**67,933,613**	**1,421,663,592**	**28,224,676**	**176,582,492**	**1,017,467**	**1,549,783**	**44,234,385**	**918,299**	**6,389,887**
Under $5 000	2 187 929	3,774 630	– 12 635,488	2 089	51 398	30 284	44 772	– 366 137	41	1 474
$5,000 under $10 000	3,331 735	5 701 850	25,449,904	80 591	16,831	53 204	100 693	414 540	*24 703	*5 366
$10 000 under $15 000	3 712 172	6,285,391	46,508 056	797 271	259 381	86 309	149 840	1 100 038	62 800	51 189
$15 000 under $20 000	3 766 172	6 674 033	65,786 646	3 240 823	2 549 783	98 501	152 062	1 719 577	87 119	114 588
$20 000 under $25 000	3 207 671	5 807,757	72,000,141	3 110 336	4 336 011	95 702	135 394	2 150 675	92 165	174 044
$25 000 under $30 000	3 099 995	5,870 366	85 322,592	3 054 578	6 276 804	107 232	160 061	2 969 009	107 232	267 362
$30 000 under $35 000	2,962 879	5 544,891	96,023 778	2 939,601	7 882,705	97 664	167 142	3 156 307	96 283	293 363
$35 000 under $40 000	2 834 929	5 404 583	106,408 924	2 822 959	9 422 140	74 151	110,314	2 785,199	74 151	282 579
$40 000 under $45,000	2 407 480	4 463 671	102 115 775	2 405 928	9 654 920	82 808	112 268	3 477 242	82 808	391 412
$45 000 under $50 000	2 041 685	3 863 793	96 878 104	2 041 023	9,838 799	44 891	57 832	2 142 997	44 891	259 258
$50 000 under $55,000	1 586 821	3 014 637	83 175 382	1 584,203	9 390 279	50 174	75 291	2 627 038	49 874	344 969
$55 000 under $60 000	1 233 856	2,294 568	70 770,771	1 233 170	8 586 452	38 276	51 296	2 180 176	38 276	314 910
$60 000 under $75 000	2 206 897	4 102 639	146 800 527	2 206 480	19 632 014	58 409	77 389	3 931 089	58 109	554 404
$75 000 under $100 000	1 374 377	2 529 283	117 106 047	1 373 246	17 907 730	54 165	86 811	4 495 383	54 164	730 633
$100 000 under $200 000	970 086	1 851 628	128 289 812	969 485	24 423 507	31 485	46 310	4 137 116	31 485	824 041
$200 000 under $500 000	281 608	579 168	82 854 620	281 317	19 360 165	11 356	17 622	3 370 183	11 345	803 863
$500 000 under $1 000,000	54 870	115,564	36 912 475	54 819	8 988 328	1 889	3 088	1 273 619	1 887	316 098
$1 000 000 or more	26 802	55 161	71 895 526	26 756	18 005 243	967	1 600	2 670 335	965	660 335
Total taxable returns	28 224 676	51,223 432	1 357 924 129	28 224 676	176 582 492	918 299	1 347 382	43 698 440	918 299	6 389 887
Total nontaxable returns	9 063 289	16 710 181	63,739 464	—	—	99 167	202 401	535 945		—

Size of adjusted gross income	Exemptions for dependents—Continued: Exemptions for parents: Number of returns	Exemptions for parents: Number of exemptions	Exemptions for parents: Adjusted gross income less deficit	Exemptions for parents: Total income tax: Number of returns	Exemptions for parents: Total income tax: Amount	Exemptions for other dependents: Number of returns	Exemptions for other dependents: Number of exemptions	Exemptions for other dependents: Adjusted gross income less deficit	Exemptions for other dependents: Total income tax: Number of returns	Exemptions for other dependents: Total income tax: Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Total	**1,466,526**	**1,725,034**	**52,754,666**	**1,161,695**	**6,657,919**	**1,808,127**	**2,747,305**	**49,256,807**	**1,245,009**	**5,154,398**
Under $5 000	49 912	61 375	– 469 589	38	937	92 615	152 517	– 295 385	17	137
$5 000 under $10 000	134 304	167 129	1 067 410	*22 128	*2 561	282 699	454 663	2 162 394	28 576	4 084
$10 000 under $15 000	225 309	269 554	2 830 918	136 809	64 582	315 461	447 569	3 961 451	164 179	81 349
$15 000 under $20 000	200 046	226 412	3 438 281	172 480	157 808	254 831	371 261	4 383 808	203 464	182 464
$20 000 under $25 000	174 394	215 753	3 911 239	159 117	257 218	230 294	364 327	5 189 375	217 312	314 343
$25 000 under $30 000	121 359	141 733	3 354 772	119 314	264 179	130 963	197 660	3 539 445	130 962	276 885
$30 000 under $35 000	97 653	113 682	3 145 071	90 328	252 625	116 227	170 578	3 759 522	116 226	310 218
$35 000 under $40 000	81 268	93 091	3 027 886	79 887	273 051	63 479	106 973	2 376 346	63 479	201 168
$40 000 under $45 000	82 991	98 559	3 540 189	82 991	325 024	79 708	121 898	3 376 690	79 708	325 526
$45 000 under $50 000	46 212	55 916	2 181 360	46 212	220 712	52 055	80 163	2 463 098	52 055	243 800
$50 000 under $55 000	49 340	53 063	2 580 481	48 677	308 939	51 171	80 266	2 666 192	50 507	292 865
$55 000 under $60 000	38 525	42 118	2 210 595	38 525	271 048	34 719	49 885	1 976 401	34 719	247 787
$60 000 under $75 000	68 752	74 207	4 590 872	68 752	559 274	42 036	59 203	2 786 879	42 036	381 722
$75 000 under $100 000	44 405	50 576	3 783 494	44 405	560 019	28 294	40 357	2 429 126	28 211	381 918
$100 000 under $200 000	37 341	43 800	4 870 940	37 339	912 087	23 917	35 602	3 198 639	23 917	617 450
$200 000 under $500 000	11 133	14 011	3 238 017	11 118	741 594	7 273	10 788	2 148 278	7 263	500 358
$500 000 under $1 000 000	2 365	2 720	1 643 079	2 360	390 802	1 632	2 523	1 112 841	1 627	285 667
$1 000 000 or more	1 218	1 337	3 809 649	1 216	1 095 461	754	1 052	2 001 706	752	506 660
Total taxable returns	1 161 695	1 344 727	50 070 754	1 161 695	6 657 919	1 245 009	1 800 582	44 559 803	1 245 009	5 154 398
Total nontaxable returns	304 831	380 307	2 683 912	—	—	563 118	946 723	4 697 004	—	—

Table 2.4—All Returns: Exemptions by Type, and Number of Exemptions, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents: Total				
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
							Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	109,708,280	221,884,006	147,928,271	39,748,227	73,955,735	1,498,013,805	30,222,931	186,623,448
Joint returns of husbands and wives	48,149,734	151,054,907	96,314,337	27,728,749	54,740,570	1,278,406,589	23,689,762	167,582,234
Separate returns of husbands and wives								
Total	1,750,047	2,665,948	1,787,364	518,652	878,584	12,671,780	403,074	1,759,973
Spouse filing	1,699,178	2,501,441	1,682,767	493,895	818,674	12,120,751	394,478	1,710,256
Spouse not filing	50,870	164,507	104,597	24,756	59,910	551,028	8,596	49,717
Returns of heads of households	11,303,325	27,841,773	11,300,466	10,302,385	16,541,307	178,217,212	5,207,594	13,432,279
Returns of surviving spouses	94,408	247,507	94,408	94,408	153,099	2,217,902	60,153	230,717
Returns of single persons	48,410,766	40,073,871	38,431,696	1,104,034	1,642,176	26,500,322	862,348	3,618,245

Marital status	Exemptions for dependents—Continued: Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Number of returns	37,287,966	67,933,613	1,421,663,592	28,224,676	176,582,492	1,017,467	1,549,783	44,234,385	918,299	6,389,887
Joint returns of husbands and wives	26,974,421	52,054,214	1,240,901,577	23,027,278	162,056,072	476,504	682,381	27,145,395	451,843	3,862,783
Separate returns of husbands and wives										
Total	448,758	719,119	10,929,471	353,486	1,517,115	44,833	92,589	1,097,686	30,242	158,614
Spouse filing	427,154	676,945	10,454,003	345,184	1,474,448	44,538	91,999	1,068,974	29,947	151,565
Spouse not filing	21,603	42,173	475,469	8,301	42,668	*295	*591	*28,712	*295	*7,049
Returns of heads of households	9,348,229	14,443,352	159,460,327	4,498,377	11,701,998	63,978	104,643	2,347,683	46,825	323,944
Returns of surviving spouses	94,408	143,288	2,217,902	60,153	230,717	—	—	—	—	—
Returns of single persons	422,151	573,640	8,154,315	285,382	1,076,590	432,151	670,170	13,643,621	389,389	2,044,546

Marital status	Exemptions for dependents—Continued: Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Number of returns	1,466,526	1,725,034	52,754,666	1,161,695	6,657,919	1,808,127	2,747,305	49,256,807	1,245,009	5,154,398
Joint returns of husbands and wives	701,133	833,211	36,591,370	611,269	5,087,652	702,880	1,170,764	29,841,494	569,847	3,715,448
Separate returns of husbands and wives										
Total	13,191	13,281	369,535	10,327	53,767	24,609	53,594	630,339	16,033	79,032
Spouse filing	13,191	13,281	369,535	10,327	53,767	21,751	36,449	583,491	16,033	79,032
Spouse not filing	—	—	—	—	—	*2,858	*17,146	*46,847	—	—
Returns of heads of households	660,695	759,362	13,979,842	467,871	1,314,291	879,213	1,233,950	15,105,530	522,559	964,860
Returns of surviving spouses	*1,204	*1,204	*67,982	*1,204	*9,938	*5,740	*8,607	*76,850	*2,882	*3,937
Returns of single persons	90,303	117,977	1,745,937	71,025	192,272	195,686	280,389	3,602,593	133,689	391,121

* Estimate should be used with caution because of the small number of sample returns on which it is based
NOTE Detail may not add to total because of rounding

Table 3.1—Returns With Modified Taxable Income: Adjusted Gross Income, Deductions, Exemptions, Taxable Income, and Tax Items, by Type of Tax Computation by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Taxable income	Modified taxable income	Income tax before credits, regular computation		Tax generated		Income tax before credits	
					Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Returns with regular tax computation only										
Total	**89,762,105**	**3,024,555,482**	**2,064,380,718**	**2,067,924,382**	**89,653,516**	**415,956,559**	**89,762,105**	**415,982,779**	**89,762,105**	**417,248,663**
Under $5,000	4,805,389	12,708,492	3,115,897	3,041,581	4,708,231	454,668	4,805,389	457,202	4,805,389	457,202
$5,000 under $10,000	10,344,027	78,113,794	26,713,223	26,294,602	10,341,170	3,940,021	10,344,027	3,945,210	10,344,027	3,945,393
$10,000 under $15,000	12,418,237	155,524,777	68,742,025	68,333,540	12,409,665	10,245,763	12,418,237	10,251,695	12,418,237	10,288,523
$15,000 under $20,000	11,473,768	199,903,763	107,482,085	107,078,129	11,473,768	16,059,739	11,473,768	16,065,592	11,473,768	16,144,716
$20,000 under $25,000	9,188,760	205,848,109	123,684,949	123,461,659	9,188,760	18,699,087	9,188,760	18,703,072	9,188,760	18,763,450
$25,000 under $30,000	7,482,873	205,246,959	130,528,502	130,368,973	7,482,873	20,758,420	7,482,873	20,760,922	7,482,873	20,789,467
$30,000 under $40,000	11,915,487	413,881,011	274,485,320	274,389,216	11,915,487	44,899,111	11,915,487	44,903,297	11,915,487	44,943,532
$40,000 under $50,000	8,249,557	368,459,701	254,974,146	255,016,564	8,249,557	43,320,653	8,249,557	43,322,088	8,249,557	43,346,359
$50,000 under $75,000	8,890,133	531,891,309	382,744,533	382,847,332	8,890,133	74,786,241	8,890,133	74,781,353	8,890,133	74,986,642
$75,000 under $100,000	2,509,521	213,262,349	159,011,661	159,121,363	2,509,521	35,689,175	2,509,521	35,688,891	2,509,521	35,813,149
$100,000 under $200,000	1,765,560	234,352,468	182,240,137	182,827,399	1,765,560	47,597,346	1,765,560	47,597,181	1,765,560	47,782,484
$200,000 under $500,000	543,360	160,482,561	133,799,108	136,484,118	543,360	38,282,123	543,360	38,282,080	543,360	38,514,941
$500,000 under $1,000,000	113,870	77,269,978	67,176,398	67,989,652	113,870	19,036,635	113,870	19,036,624	113,870	19,135,571
$1,000,000 or more	61,562	167,610,211	149,682,735	150,670,255	61,562	42,187,576	61,562	42,187,572	61,562	42,337,233
Returns with Form 8615 tax computation only										
Total	**384,588**	**1,252,890**	**1,046,500**	**1,058,631**	**384,588**	**184,074**	**384,588**	**270,588**	**384,588**	**270,588**
Under $5,000	348,627	693,365	515,871	528,002	348,627	76,558	348,627	116,076	348,627	116,076
$5,000 under $10,000	*22,861	*149,055	*132,544	*132,544	*22,861	*19,875	*22,861	*38,532	*22,861	*38,532
$10,000 under $15,000	*2,858	*37,212	*35,783	*35,783	*2,858	*5,367	*2,858	*11,556	*2,858	*11,556
$15,000 under $20,000	*5,715	*98,830	*95,972	*95,972	*5,715	*14,802	*5,715	*27,516	*5,715	*27,516
$20,000 under $25,000	*2,858	*68,945	*67,517	*67,517	*2,858	*12,273	*2,858	*20,732	*2,858	*20,732
$25,000 under $30,000	—	—	—	—	—	—	—	—	—	—
$30,000 under $40,000	—	—	—	—	—	—	—	—	—	—
$40,000 under $50,000	—	—	—	—	—	—	—	—	—	—
$50,000 under $75,000	—	—	—	—	—	—	—	—	—	—
$75,000 under $100,000	*1,198	*102,458	*97,886	*97,886	*1,198	*26,939	*1,198	*27,325	*1,198	*27,325
$100,000 under $200,000	*295	*47,668	*45,963	*45,963	*295	*12,870	*295	*13,281	*295	*13,281
$200,000 under $500,000	*166	*35,016	*34,934	*34,934	*166	*9,781	*166	*9,948	*166	*9,948
$500,000 under $1,000,000	—	—	—	—	—	—	—	—	—	—
$1,000,000 or more	*11	*20,340	*20,031	*20,031	*11	*5,609	*11	*5,622	*11	*5,622

Type of tax computation by size of adjusted gross income	Total credits		Income tax after credits		Alternative minimum tax		Total income tax				
									As a percent of		Average income tax (dollars)
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Modified taxable income	Adjusted gross income	
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Returns with regular tax computation only											
Total	**14,087,169**	**7,001,874**	**86,664,108**	**410,246,790**	**98,304**	**787,695**	**86,664,128**	**411,034,484**	**19.9**	**13.6**	**4,579**
Under $5,000	*9,960	*152	4,798,980	457,051	—	—	4,798,980	457,051	15.0	3.6	95
$5,000 under $10,000	711,732	113,389	9,730,481	3,832,004	**	**	9,730,481	3,832,005	14.6	4.9	370
$10,000 under $15,000	2,863,772	1,062,658	10,400,809	9,225,865	**665	**330	10,400,809	9,226,194	13.5	5.9	743
$15,000 under $20,000	2,768,951	876,749	11,123,515	15,267,968	*666	*3,089	11,123,515	15,271,056	14.3	7.6	1,331
$20,000 under $25,000	1,055,909	517,737	9,137,300	18,245,713	*302	*1,892	9,137,300	18,247,605	14.8	8.9	1,986
$25,000 under $30,000	992,579	450,806	7,456,668	20,338,661	*2,709	*6,218	7,456,668	20,344,879	15.6	9.9	2,719
$30,000 under $40,000	1,841,442	857,912	11,890,308	44,085,620	7,224	20,729	11,890,308	44,106,349	16.1	10.7	3,702
$40,000 under $50,000	1,406,791	635,195	8,244,557	42,711,164	4,986	17,079	8,244,557	42,728,243	16.8	11.6	5,179
$50,000 under $75,000	1,580,976	763,129	8,888,342	74,223,513	12,492	29,465	8,888,342	74,252,978	19.4	14.0	8,352
$75,000 under $100,000	420,392	316,750	2,509,520	35,496,399	14,564	46,314	2,509,520	35,542,713	22.3	16.7	14,163
$100,000 under $200,000	288,077	413,144	1,764,982	47,369,339	31,972	174,994	1,764,982	47,544,333	26.0	20.3	26,929
$200,000 under $500,000	99,974	317,530	543,240	38,197,411	16,514	229,573	543,261	38,426,985	28.2	23.9	70,721
$500,000 under $1,000,000	27,815	220,483	113,857	18,915,088	4,120	113,222	113,857	19,028,311	28.0	24.6	167,105
$1,000,000 or more	18,798	456,240	61,549	41,880,993	2,090	144,790	61,549	42,025,783	27.9	25.1	682,660
Returns with Form 8615 tax computation only											
Total	***4**	***255**	**384,588**	**270,332**	**—**	**—**	**384,588**	**270,332**	**25.5**	**21.6**	**703**
Under $5,000	—	—	348,627	116,076	—	—	348,627	116,076	22.0	16.7	333
$5,000 under $10,000	—	—	*22,861	*38,532	—	—	*22,861	*38,532	*29.1	*25.9	*1,686
$10,000 under $15,000	—	—	*2,858	*11,556	—	—	*2,858	*11,556	*32.3	*31.1	*4,044
$15,000 under $20,000	—	—	*5,715	*27,516	—	—	*5,715	*27,516	*28.7	*27.8	*4,815
$20,000 under $25,000	—	—	*2,858	*20,732	—	—	*2,858	*20,732	*30.7	*30.1	*7,255
$25,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $40,000	—	—	—	—	—	—	—	—	—	—	—
$40,000 under $50,000	—	—	—	—	—	—	—	—	—	—	—
$50,000 under $75,000	—	—	—	—	—	—	—	—	—	—	—
$75,000 under $100,000	—	—	*1,198	*27,325	—	—	*1,198	*27,325	*27.9	*26.7	*22,814
$100,000 under $200,000	—	—	*295	*13,281	—	—	*295	*13,281	*28.9	*27.9	*44,972
$200,000 under $500,000	—	—	*166	*9,948	—	—	*166	*9,948	*28.5	*28.4	*60,015
$500,000 under $1,000,000	—	—	—	—	—	—	—	—	—	—	—
$1,000,000 or more	*4	*255	*11	*5,367	—	—	*11	*5,367	*26.8	*26.4	*482,651

* Estimate should be used with caution because of the small number of sample returns on which it is based.
** Data combined to avoid disclosure of information for specific taxpayers.
NOTE: Detail may not add to total because of rounding.

Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income								
	Total			Under 5 percent			5 under 7 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
Total	**87,135,332**	**2,989,915,092**	**412,869,909**	**14,857,361**	**171,434,172**	**5,018,876**	**10,433,263**	**185,743,644**	**11,379,729**
Under $5,000	5,170,720	9,864,620	709,048	3,462,020	9,159,866	199,833	788,623	2,287,028	128,688
$5,000 under $10,000	9,765,882	73,036,068	3,914,612	4,393,518	29,481,458	840,708	3,278,307	26,347,788	1,604,836
$10,000 under $15,000	10,404,456	130,636,055	9,244,813	2,818,907	35,637,719	976,233	787,820	10,087,334	593,460
$15,000 under $20,000	11,129,814	194,248,667	15,305,060	2,235,761	38,364,957	1,099,866	2,007,096	34,721,514	2,119,944
$20,000 under $25,000	9,141,213	204,811,083	18,278,344	933,200	20,594,104	658,067	1,234,663	27,526,627	1,674,458
$25,000 under $30,000	7,461,750	204,667,435	20,361,642	418,387	11,343,855	392,330	820,369	22,444,190	1,378,792
$30,000 under $40,000	11,895,769	413,203,096	44,138,991	362,611	12,296,959	413,360	937,592	32,119,081	2,003,917
$40,000 under $50,000	8,249,552	368,437,697	42,768,361	140,517	6,212,278	202,992	351,464	15,703,712	982,678
$50,000 under $75,000	8,897,085	532,315,125	74,340,917	60,517	3,588,627	110,717	203,982	11,808,791	735,497
$75,000 under $100,000	2,518,463	214,024,329	35,685,329	17,839	1,507,021	41,955	16,867	1,397,202	81,501
$100,000 under $200,000	1,776,104	235,793,141	47,837,393	10,624	1,358,247	38,039	5,434	696,698	39,986
$200,000 or more	724,523	408,877,777	100,285,400	3,460	1,889,082	44,776	1,045	603,679	35,973
Joint returns									
Total	**41,374,252**	**2,090,547,723**	**297,225,750**	**5,193,295**	**99,808,273**	**3,033,497**	**4,776,954**	**126,380,124**	**7,779,331**
Under $5,000	5,852	−2,903,378	82,082	—	—	—	—	—	—
$5,000 under $10,000	185,650	1,715,696	57,049	173,112	1,621,717	12,977	—	—	—
$10,000 under $15,000	2,235,587	28,374,341	960,033	1,923,061	23,953,739	700,097	303,164	4,305,369	238,880
$15,000 under $20,000	3,861,437	67,975,321	3,604,872	1,544,613	26,794,955	749,665	1,414,951	24,443,989	1,505,934
$20,000 under $25,000	4,082,740	91,836,836	6,466,576	697,534	15,406,414	500,500	1,000,331	22,375,400	1,352,787
$25,000 under $30,000	4,036,420	111,070,556	8,997,360	345,080	9,349,865	328,307	694,272	18,987,090	1,168,767
$30,000 under $40,000	7,980,597	279,070,181	25,373,886	307,046	10,405,820	357,845	828,251	28,475,594	1,778,522
$40,000 under $50,000	6,713,114	300,628,582	32,023,065	126,087	5,556,662	186,596	322,668	14,431,790	909,197
$50,000 under $75,000	7,861,382	471,479,611	63,340,108	50,785	2,999,349	99,116	194,374	11,228,321	700,087
$75,000 under $100,000	2,244,631	190,806,529	30,834,317	16,324	1,386,437	38,246	13,397	1,115,391	65,485
$100,000 under $200,000	1,550,466	205,569,625	40,810,519	6,958	882,479	24,932	4,948	630,726	36,427
$200,000 or more	616,376	344,923,823	84,675,882	2,695	1,450,836	35,216	598	386,452	23,245
Nonjoint returns									
Total	**45,761,080**	**899,367,369**	**115,644,159**	**9,664,066**	**71,625,899**	**1,985,379**	**5,656,308**	**59,363,520**	**3,600,398**
Under $5,000	5,164,868	12,767,998	626,966	3,462,020	9,159,866	199,833	788,623	2,287,028	128,688
$5,000 under $10,000	9,580,233	71,320,372	3,857,563	4,220,407	27,859,741	827,732	3,278,307	26,347,788	1,604,836
$10,000 under $15,000	8,168,869	102,261,714	8,284,780	895,846	11,683,979	276,136	484,656	5,781,965	354,580
$15,000 under $20,000	7,268,377	126,273,346	11,700,188	691,148	11,570,002	350,201	592,145	10,277,525	614,010
$20,000 under $25,000	5,058,472	112,974,247	11,811,767	235,666	5,187,690	157,567	234,332	5,151,227	321,671
$25,000 under $30,000	3,425,330	93,596,879	11,364,282	73,306	1,993,990	64,023	126,096	3,457,100	210,025
$30,000 under $40,000	3,915,172	134,132,915	18,765,104	55,565	1,891,139	55,515	109,341	3,643,488	225,394
$40,000 under $50,000	1,536,439	67,809,115	10,745,296	*14,431	*655,616	*16,396	28,796	1,271,922	73,481
$50,000 under $75,000	1,035,703	60,835,514	11,000,809	9,732	589,278	11,600	9,608	580,470	35,410
$75,000 under $100,000	273,832	23,217,800	4,851,012	*1,515	*120,584	*3,709	*3,470	*281,812	*16,017
$100,000 under $200,000	225,638	30,223,515	7,026,874	3,666	475,768	13,107	*486	*65,971	*3,559
$200,000 or more	108,147	63,953,953	15,609,518	765	438,246	9,560	447	217,226	12,729

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	7 under 10 percent			10 under 12 percent			12 under 15 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns									
Total	**24,765,706**	**604,986,727**	**52,498,087**	**16,128,818**	**482,388,868**	**52,675,784**	**9,933,831**	**457,432,456**	**61,691,659**
Under $5,000	357,611	624,587	51,931	222,160	455,080	50,300	151,453	454,190	58,512
$5,000 under $10,000	1,827,305	15,075,208	1,172,929	154,236	1,375,716	142,244	82,831	554,964	75,139
$10,000 under $15,000	6,321,202	78,627,689	6,957,593	438,589	5,813,067	617,548	*25,718	*309,169	*42,370
$15,000 under $20,000	2,284,937	40,913,862	3,381,359	4,491,822	78,337,960	8,379,066	89,264	1,535,089	198,126
$20,000 under $25,000	3,453,446	78,057,767	6,654,482	2,583,539	56,340,798	6,391,333	897,464	21,368,676	2,699,552
$25,000 under $30,000	2,952,180	80,825,062	7,046,826	1,218,295	33,947,592	3,577,382	1,664,586	44,904,434	6,198,936
$30,000 under $40,000	4,266,308	147,920,544	12,923,868	3,503,476	122,973,607	13,321,048	896,852	31,333,421	4,211,247
$40,000 under $50,000	2,338,456	103,428,263	9,120,946	2,005,805	88,797,548	9,733,454	2,351,115	106,817,333	14,192,039
$50,000 under $75,000	869,014	49,446,718	4,304,849	1,354,823	78,536,254	8,707,778	3,098,635	184,339,224	25,002,604
$75,000 under $100,000	72,038	6,049,401	535,568	118,244	9,766,135	1,082,416	521,711	43,958,624	6,015,470
$100,000 under $200,000	20,038	2,504,884	215,374	34,163	4,081,878	457,677	145,881	17,616,877	2,421,291
$200,000 or more	3,171	1,512,742	132,362	3,667	1,963,233	215,538	8,320	4,240,457	576,372
Joint returns									
Total	**12,639,419**	**425,416,623**	**36,832,913**	**6,952,276**	**297,301,470**	**32,405,006**	**5,723,985**	**334,830,593**	**45,159,077**
Under $5,000	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	*2,858	*20,675	*1,572	*2,858	*21,438	*2,280	—	—	—
$10,000 under $15,000	*5,715	*75,189	*6,438	—	—	—	—	—	—
$15,000 under $20,000	886,655	16,463,435	1,254,428	—	—	—	*8,573	*153,547	*20,412
$20,000 under $25,000	2,361,551	53,524,082	4,510,574	*11,335	*259,250	*27,214	*5,715	*126,620	*16,460
$25,000 under $30,000	2,346,814	64,277,306	5,581,473	645,492	18,322,475	1,887,251	—	—	—
$30,000 under $40,000	3,843,447	133,909,381	11,672,866	2,932,360	103,709,058	11,199,953	62,253	2,300,569	286,686
$40,000 under $50,000	2,260,885	100,059,002	8,826,058	1,894,181	83,894,437	9,188,178	2,020,597	92,404,528	12,239,252
$50,000 under $75,000	843,065	47,980,261	4,178,206	1,315,319	76,296,987	8,457,199	2,976,216	177,313,289	24,029,243
$75,000 under $100,000	67,257	5,638,007	499,300	116,755	9,634,978	1,068,205	505,244	42,568,500	5,825,189
$100,000 under $200,000	19,053	2,370,564	204,571	31,082	3,687,817	412,635	138,773	16,731,859	2,300,808
$200,000 or more	2,120	1,098,722	97,427	2,895	1,475,030	162,091	6,615	3,231,679	441,027
Nonjoint returns									
Total	**12,126,287**	**179,570,104**	**15,665,173**	**9,176,542**	**185,087,397**	**20,270,778**	**4,209,846**	**122,601,864**	**16,532,581**
Under $5,000	357,611	624,587	51,931	222,160	455,080	50,300	151,453	454,190	58,512
$5,000 under $10,000	1,824,447	15,054,533	1,171,357	151,378	1,354,278	139,964	82,831	554,964	75,139
$10,000 under $15,000	6,315,487	78,552,499	6,951,155	438,589	5,813,067	617,548	*25,718	*309,169	*42,370
$15,000 under $20,000	1,398,283	24,450,427	2,126,931	4,491,822	78,337,960	8,379,066	80,692	1,381,542	177,714
$20,000 under $25,000	1,091,896	24,533,685	2,143,907	2,572,205	56,081,547	6,364,118	891,749	21,242,055	2,683,093
$25,000 under $30,000	605,366	16,547,756	1,465,353	572,803	15,625,116	1,690,131	1,664,586	44,904,434	6,198,936
$30,000 under $40,000	422,861	14,011,164	1,251,003	571,116	19,264,549	2,121,095	834,599	29,032,852	3,924,560
$40,000 under $50,000	77,570	3,369,260	294,888	111,623	4,903,111	545,276	330,518	14,412,804	1,952,787
$50,000 under $75,000	25,949	1,466,458	126,643	39,504	2,239,267	250,579	122,420	7,025,934	973,361
$75,000 under $100,000	*4,781	*411,394	*36,268	*1,489	*131,157	*14,211	16,467	1,390,124	190,281
$100,000 under $200,000	*985	*134,320	*10,803	3,081	394,061	45,043	7,108	885,018	120,483
$200,000 or more	1,051	414,021	34,935	772	488,202	53,447	1,705	1,008,778	135,345

Footnote(s) at end of table

Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	15 under 17 percent			17 under 25 percent			25 under 30 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
All returns									
Total	**4,653,512**	**258,383,618**	**41,283,305**	**5,703,605**	**586,082,484**	**121,627,501**	**589,422**	**239,625,260**	**63,227,784**
Under $5,000	62,867	111,726	17,751	91,443	250,026	53,249	*17,146	*63,293	*16,557
$5,000 under $10,000	*2,858	*15,797	*2,458	*4,240	*27,929	*6,331	*17,146	*116,013	*31,879
$10,000 under $15,000	—	—	—	**5,716	**72,958	**15,186	*104	*1,131	*316
$15,000 under $20,000	*11,430	*208,368	*33,320	**	**	**	*6,379	*111,877	*31,385
$20,000 under $25,000	*20,891	*505,273	*79,760	*9,237	*212,299	*41,015	*5	*101	*27
$25,000 under $30,000	364,369	10,546,697	1,633,130	*17,953	*508,273	*92,339	*5,279	*138,594	*36,586
$30,000 under $40,000	1,126,526	37,346,456	6,033,369	794,950	28,944,493	5,144,023	*5,538	*203,197	*54,063
$40,000 under $50,000	349,984	15,867,512	2,521,801	708,572	31,452,520	5,965,435	*3,545	*153,898	*42,964
$50,000 under $75,000	1,910,722	116,105,359	18,490,179	1,387,312	87,732,100	16,653,622	*2,416	*156,830	*41,024
$75,000 under $100,000	620,144	52,324,853	8,387,437	1,099,856	94,485,308	18,267,265	49,159	4,300,090	1,119,992
$100,000 under $200,000	174,327	21,151,523	3,404,658	1,204,837	161,052,696	33,908,540	175,149	26,579,067	6,960,472
$200,000 or more	9,393	4,200,055	679,443	379,491	181,343,883	41,480,495	307,556	207,801,169	54,892,519
Joint returns									
Total	**2,622,536**	**185,691,388**	**29,638,999**	**3,080,349**	**430,173,456**	**90,024,816**	**344,163**	**187,815,762**	**49,502,015**
Under $5,000	*2,858	*11,373	*1,886	—	—	—	—	—	—
$5,000 under $10,000	—	—	—	*1,381	*10,677	*2,135	—	—	—
$10,000 under $15,000	—	—	—	**2,859	**30,486	**7,559	*104	*1,131	*316
$15,000 under $20,000	*2,858	*51,308	*8,570	**	**	**	*664	*13,047	*3,869
$20,000 under $25,000	—	—	—	*664	*15,187	*3,338	*5	*101	*27
$25,000 under $30,000	*1,381	*36,807	*5,981	*2,385	*69,919	*15,544	*664	*18,382	*4,764
$30,000 under $40,000	*2,366	*91,926	*14,882	*295	*9,354	*1,911	*2,665	*103,174	*27,138
$40,000 under $50,000	81,451	3,962,919	605,296	*6,368	*282,065	*54,328	*783	*32,635	*8,208
$50,000 under $75,000	1,755,621	107,147,534	17,057,526	717,616	47,996,819	8,582,829	*20	*1,346	*387
$75,000 under $100,000	601,847	50,807,584	8,145,417	918,697	79,224,184	14,991,869	*3,367	*275,082	*72,331
$100,000 under $200,000	166,055	20,152,715	3,244,921	1,097,249	146,732,569	30,710,152	82,667	13,882,917	3,612,052
$200,000 or more	8,100	3,429,223	554,520	332,835	155,802,196	35,655,152	253,224	173,487,947	45,772,924
Nonjoint returns									
Total	**2,030,976**	**72,692,230**	**11,644,306**	**2,623,256**	**155,909,028**	**31,602,684**	**245,259**	**51,809,498**	**13,725,769**
Under $5,000	60,010	100,353	15,865	91,443	250,026	53,249	*17,146	*63,293	*16,557
$5,000 under $10,000	*2,858	*15,797	*2,458	*2,859	*17,252	*4,196	*17,146	*116,013	*31,879
$10,000 under $15,000	—	—	—	**2,857	**42,473	**7,627	—	—	—
$15,000 under $20,000	*8,573	*157,059	*24,750	**	**	**	*5,715	*98,830	*27,516
$20,000 under $25,000	*20,891	*505,273	*79,760	*8,573	*197,112	*37,677	—	—	—
$25,000 under $30,000	362,988	10,509,890	1,627,149	*15,568	*438,354	*76,794	*4,615	*120,212	*31,822
$30,000 under $40,000	1,124,160	37,254,531	6,018,488	794,654	28,935,139	5,142,112	*2,874	*100,023	*26,926
$40,000 under $50,000	268,533	11,904,593	1,916,505	702,203	31,170,454	5,911,107	*2,762	*121,263	*34,756
$50,000 under $75,000	155,101	8,957,825	1,432,653	669,696	39,735,281	8,070,793	*2,395	*155,484	*40,637
$75,000 under $100,000	18,297	1,517,269	242,019	181,158	15,261,124	3,275,397	45,792	4,025,008	1,047,661
$100,000 under $200,000	8,272	998,808	159,736	107,588	14,320,127	3,198,389	92,482	12,696,150	3,348,420
$200,000 or more	1,293	770,832	124,923	46,656	25,541,687	5,825,343	54,332	34,313,221	9,119,595

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	30 under 50 percent			50 under 100 percent			100 percent or more		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns									
Total	**29,548**	**5,991,473**	**2,199,796**	**18,105**	**1,082,145**	**682,921**	**22,162**	**-3,235,754**	**584,468**
Under $5,000	—	—	—	*2,858	*2,332	*2,117	14,540	-3,543,506	130,109
$5,000 under $10,000	**	**	**	*2,576	*20,788	*15,972	*2,865	*20,394	*22,111
$10,000 under $15,000	**3,156	**40,664	**12,649	*3,154	*45,010	*26,458	*92	*1,346	*3,011
$15,000 under $20,000	*3	*56	*23	*176	*3,365	*2,341	*2,943	*51,601	*59,627
$20,000 under $25,000	**9,306	**224,657	**84,290	—	—	—	**231	**8,905	**15,345
$25,000 under $30,000	**	**	**	*320	*8,370	*4,774	**	**	**
$30,000 under $40,000	**	**	**	*1,290	*44,232	*25,025	**	**	**
$40,000 under $50,000	**	**	**	3	147	98	**	**	**
$50,000 under $75,000	4,812	288,696	107,712	*4,811	*310,364	*182,522	**	**	**
$75,000 under $100,000	1,777	161,710	57,483	405	37,043	30,977	*422	*36,942	*65,265
$100,000 under $200,000	3,410	477,022	181,205	1,688	211,809	131,336	*555	*62,441	*78,814
$200,000 or more	7,084	4,798,669	1,756,435	823	398,686	261,301	514	126,123	210,186
Joint returns									
Total	**20,089**	**4,885,437**	**1,804,892**	**10,812**	**880,363**	**545,850**	**10,373**	**-2,635,766**	**499,352**
Under $5,000	—	—	—	—	—	—	2,995	-2,914,752	80,196
$5,000 under $10,000	**	**	**	*2,576	*20,788	*15,972	*2,865	*20,394	*22,111
$10,000 under $15,000	**297	**3,445	**1,089	*296	*3,661	*2,649	*92	*1,346	*3,011
$15,000 under $20,000	*3	*56	*23	*176	*3,365	*2,341	*2,943	*51,601	*59,627
$20,000 under $25,000	**6,144	**148,969	**60,679	—	—	—	**225	**8,655	**14,562
$25,000 under $30,000	**	**	**	*320	*8,370	*4,774	**	**	**
$30,000 under $40,000	**	**	**	*1,290	*44,232	*25,025	**	**	**
$40,000 under $50,000	**	**	**	3	147	98	**	**	**
$50,000 under $75,000	4,715	283,188	105,925	*3,614	*230,483	*125,437	**	**	**
$75,000 under $100,000	*918	*82,628	*32,198	*402	*36,796	*30,813	*422	*36,942	*65,265
$100,000 under $200,000	1,901	276,250	101,519	1,462	187,079	116,551	**832	**160,046	**254,580
$200,000 or more	6,110	4,090,900	1,503,458	673	345,442	222,191	**	**	**
Nonjoint returns									
Total	**9,459**	**1,106,036**	**394,904**	**7,292**	**201,782**	**137,071**	**11,788**	**-599,988**	**85,116**
Under $5,000	—	—	—	*2,858	*2,332	*2,117	11,545	-628,755	49,913
$5,000 under $10,000	**	**	**	—	—	—	—	—	—
$10,000 under $15,000	**2,859	**37,219	**11,559	*2,858	*41,349	*23,810	—	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	**3,162	**75,687	**23,610	—	—	—	**6	**250	**783
$25,000 under $30,000	—	—	—	—	—	—	**	**	**
$30,000 under $40,000	**	**	**	—	—	—	**	**	**
$40,000 under $50,000	**	**	**	—	—	—	**	**	**
$50,000 under $75,000	*97	*5,508	*1,787	*1,198	*79,881	*57,085	**	**	**
$75,000 under $100,000	*859	*79,082	*25,285	3	246	164	—	—	—
$100,000 under $200,000	*1,509	*200,772	*79,686	*226	*24,729	*14,785	**237	**28,517	**34,420
$200,000 or more	974	707,769	252,977	151	53,244	39,110	**	**	**

* Estimate should be used with caution because of the small number of sample returns on which it is based
** Data combined to avoid disclosure of information for specific taxpayers
NOTE: Detail may not add to total because of rounding

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns	Total tax liability		Total tax credits		Personal credits					
						Total		Child care credit		Credit for the elderly and disabled	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All returns, total	**109,708,280**	**89,001,467**	**430,733,154**	**14,099,023**	**7,047,140**	**13,174,255**	**5,012,595**	**9,023,458**	**3,812,849**	**356,973**	**68,904**
No adjusted gross income	835 420	122,050	277 451	17	999	†	†	†	†	†	†
$1 under $1 000	3 126,849	953,342	63 610	*3 551	*11	—	—	—	—	—	—
$1,000 under $2,000	3,867 063	1,230,577	121,065	—	—	—	—	—	—		
$2,000 under $3,000	3,589,370	1,021,793	127 926	*3 551	*50	—	—	—	—	—	—
$3,000 under $4 000	3,347,791	1,510,364	237,560	—	—	—	—	—	—	—	—
$4,000 under $5 000	3,118,816	1,082,262	315 120	*2,858	*91	†	†	—	—	—	—
$5,000 under $6,000	3,083,053	2,060,338	515,268	31,177	1 601	27 110	1,259	—	—	†	†
$6,000 under $7,000	3,134 576	2,100,524	669 624	68,261	5 221	64 709	5,217	†	†	42 582	4 264
$7,000 under $8,000	3,139 547	2 031 683	933 917	66,823	12 725	66,823	12,725	*8 573	*1 497	42 582	8 186
$8,000 under $9 000	3,051,747	2 068,396	1 167 546	209 110	25 246	194 167	22 191	39 273	5 490	30 701	6 593
$9 000 under $10 000	2 991,996	2,007,704	1 329 604	340,600	70,490	334 190	67 247	82 870	18 452	37 149	8 067
$10,000 under $11 000	2 857 935	2 110 380	1,554 399	428 224	116 419	406,982	114 125	155 702	41 478	32,127	8,309
$11,000 under $12 000	2,704 240	1,986 810	1 692 729	537,954	148 116	525,316	145 630	132 108	38,887	31 434	5,464
$12,000 under $13 000	2 725 537	2 149 880	2 044 056	565 606	223 535	559 724	221,900	169 182	63,001	*22 128	*7 293
$13,000 under $14 000	2 802 095	2 293 935	2 372 802	670 650	297 274	658 618	288,757	225 318	92,707	*20 003	*3 601
$14 000 under $15 000	2 626,234	2,243,738	2 612,157	661 337	277,314	647 562	270,116	217 751	85 110	*20 003	*4 158
$15 000 under $16 000	2 598 308	2 401,339	2 935 802	707 591	267 551	686 812	260,976	220 544	89 609	*8 573	*1 566
$16 000 under $17,000	2,367 239	2 235 466	2 989 034	645 868	209 684	635,472	200,982	197 501	89 466	*16,413	*2 040
$17 000 under $18,000	2 456 793	2 368 434	3 509 005	741,200	186,479	722 132	175,272	233 158	105,928	*5,715	*1 815
$18,000 under $19 000	2 196,171	2 152,293	3 417,219	463 654	105 942	443 385	96 071	183 374	82 451	*14 006	*3 611
$19 000 under $20 000	2 141 719	2 113 900	3 772,560	210 637	107,093	192,354	93,060	186 639	89 930	—	
$20,000 under $25 000	9 278 762	9 180 537	19 611,254	1 055 909	517,737	1,015,403	487 997	1,006 830	485,054	*8 573	*2 943
$25,000 under $30 000	7 517,739	7 485,865	21 693,915	992,579	450,806	943 018	402 525	932 179	394,048	—	
$30,000 under $40 000	11 956 599	11 917 748	46 418,272	1 843,807	858,593	1,720,990	694 370	1,710,471	684,950	—	
$40,000 under $50 000	8 264 514	8 252 253	44 788,345	1 406,791	635,195	1 335,633	544 670	1,332 605	540,964	—	—
$50,000 under $75,000	8 904,085	8 899,268	77 537,317	1 581,207	763,206	1,456,269	638,899	1,453 210	636,607	—	—
$75,000 under $100,000	2 520,476	2,518 907	37,255,570	422,410	320,489	333,569	165,032	332,974	163,727	—	—
$100,000 under $200,000	1 778 258	1,776 917	49,529,473	289,856	420,277	165,759	83,996	165,175	83,943	—	—
$200 000 under $500,000	548 472	548 042	39,301,656	100,901	336,653	30,006	16,342	29 812	16,291	—	—
$500,000 under $1,000,000	114,808	114,727	19,289,482	27,949	224,994	4,094	2,387	4,087	2,387	—	—
$1,000,000 or more	62,065	61,997	42,649,414	18 943	463,350	1,297	754	1,263	747	—	—
Taxable returns, total	**87,135,332**	**87,135,332**	**429,362,362**	**11,001,040**	**5,860,700**	**10,215,268**	**4,067,149**	**7,855,108**	**3,360,772**	**227,272**	**42,239**
No adjusted gross income	5,952	5,952	120,378	**21,407	**1,986	†	†	†	†	†	†
$1 under $1,000	904 855	904,855	31,272	—	—	—	—	—	—	—	—
$1,000 under $2,000	1,084 349	1,084,349	91,659	—	—	—	—	—	—	—	—
$2,000 under $3 000	884 236	884,236	89,943	**	**	—	—	—	—	—	—
$3,000 under $4 000	1,341,720	1,341,720	169,305	—	—	—	—	—	—	—	—
$4,000 under $5 000	949,608	949,608	254 445	—	—	—	—	—	—	—	—
$5,000 under $6,000	1,979 501	1,979,501	475 430	**	**	†	†	—	—	†	†
$6,000 under $7 000	2,019,102	2,019,102	627,580	**	**	*11,430	*874	—	—	*11,430	*874
$7,000 under $8,000	1,915,160	1,915,160	874,093	26,817	4 752	26,817	4 752	—	—	*25,436	*3 545
$8 000 under $9 000	1 940,746	1,940,746	1 086,503	*26,373	*2,518	*19 270	*2,327	—	—	*19,270	*2,327
$9,000 under $10,000	1,911 374	1 911,374	1,267,337	31,394	5 000	27,843	3,612	†	†	*20,003	*2,426
$10,000 under $11,000	2,023,118	2,023,118	1 502,095	57 732	15 581	48 465	15,290	*7,840	*3,706	*23 555	*6,712
$11 000 under $12,000	1 916 366	1 916,366	1 631 843	43,973	15,033	41 398	14 578	*7 840	*3,467	*22,861	*3 403
$12,000 under $13,000	2,080,175	2,080,175	1 978 556	129,533	66,583	126,318	66 413	*13 555	*7,030	*14 288	*4 461
$13 000 under $14,000	2,195,157	2,195,157	2 280 306	244 079	122,132	237,722	119 472	40 665	11,356	*14,288	*2,292
$14,000 under $15,000	2,189 640	2 189 640	2,553 879	371 027	155,602	363,694	154 173	58 543	20,157	*20,003	*4 158
$15,000 under $16,000	2 362 514	2,362,514	2,887 413	545,810	203,865	532,068	203 275	131 375	48,534	*8,573	*1,566
$16 000 under $17,000	2 194 035	2 194,035	2,943 656	566,965	162,942	562 716	160 471	144 673	53,285	*16 413	*2,040
$17,000 under $18,000	2,342 965	2 342 965	3 489,740	672 806	154 583	658 889	150 771	189 918	83,023	*5 715	*1 815
$18 000 under $19,000	2,131 858	2 131,858	3 379,174	442,234	89 268	427,706	84 852	167 695	71,231	*14 006	*3 611
$19 000 under $20,000	2,098 442	2,098,442	3,746,110	190,884	85,678	180,924	81 961	175 208	78,832	—	—
$20,000 under $25,000	9,141,213	9,141,213	19,525,088	1,004 450	481 593	982 010	470 762	973,437	467,819	*8 573	*2,943
$25,000 under $30 000	7,461,750	7,461 750	21,646 532	966,374	409,834	928,322	391,733	919,848	386,494	—	—
$30,000 under $40 000	11,895,769	11,895 769	46,376,038	1,818,628	794 435	1,710,855	690,288	1,700 336	680,869	—	—
$40,000 under $50,000	8,249,552	8,249 552	44,782,595	1 401,791	607 788	1,335 633	544 670	1,332 605	540,964	—	—
$50,000 under $75 000	8 897,085	8,897,085	77,529 716	1 579,415	758 358	1,455 606	638 299	**1 980 506	**899,967	—	
$75,000 under $100,000	2 518,463	2,518,463	37,253,694	422 406	320,441	333 569	165,032	**	**	—	
$100 000 under $200,000	1,776,104	1,776,104	49 528,493	289,278	401 937	165,759	83 996	**	**	—	
$200,000 under $500,000	547 869	547,869	39 300,853	100,801	330,927	30 004	16 341	**	**	—	—
$500,000 under $1 000,000	114 682	114 682	19 289 355	27,936	222,206	4,094	2 387	4 087	2,387		
$1,000,000 or more	61,972	61,972	42 649 283	18 929	447 658	1 297	754	1 263	747	—	
Nontaxable returns, total	**22,572,948**	**1,866,135**	**1,370,791**	**3,097,982**	**1,186,441**	**2,958,987**	**945,446**	**1,168,349**	**452,077**	**129,701**	**26,665**

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Personal credits—Continued: Earned income credit used to offset income tax before credits		Minimum tax credit		Foreign tax credit		General business credits		Other tax credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
All returns, total	**4,782,148**	**1,102,392**	**26,393**	**203,264**	**559,217**	**1,087,203**	**364,169**	**718,209**	**28,989**	**25,870**
No adjusted gross income	—	—	†	†	*6	*3	*13	*975	—	—
$1 under $1,000	—	—		—	*3,551	*11	—	—	—	—
$1,000 under $2,000	—	—	—	—	—	—	—	—	—	—
$2,000 under $3,000	—	—	—	—	*3,551	*50	—	—		—
$3,000 under $4,000	—		—	—	—	—	—	—	—	—
$4,000 under $5,000	*2,858	*91	—	—	—	—	—	—	—	—
$5,000 under $6,000	*2,125	*266	—	—	—	—	*4,067	*341	—	—
$6,000 under $7,000	*19,270	*830	—	—	*3,551	*4	—	—	—	—
$7,000 under $8,000	*15,669	*3,041	—	—	—	—	—	—	—	—
$8,000 under $9,000	127,051	10,108	—	—	*7,103	*192	*7,840	*2,863	—	—
$9,000 under $10,000	219,886	40,728	—	—	*3,551	*1,389	*2,859	*1,855	—	—
$10,000 under $11,000	247,729	64,338	—	—	*7,103	*85	*17,691	*2,209	—	—
$11,000 under $12,000	410,353	101,280	—	—	—	—	*12,638	*2,486	—	—
$12,000 under $13,000	455,534	151,606	—	—	*3,215	*170	*2,667	*1,464		—
$13,000 under $14,000	561,083	192,450	—	—	*7,333	*4,714	*4,700	*3,802	—	—
$14,000 under $15,000	556,204	180,848	—	—	*10,884	*6,423	*4,271	*775	—	—
$15,000 under $16,000	622,553	169,801	—	—	*10,884	*493	*9,895	*6,081	—	
$16,000 under $17,000	561,250	109,465	—	—	—	—	*12,520	*8,702	—	—
$17,000 under $18,000	656,765	67,530	—	—	*7,103	*1,715	*14,540	*9,491	—	
$18,000 under $19,000	323,819	10,009	—	—	*14,205	*2,962	*6,063	*5,746	*2,858	*1,163
$19,000 under $20,000	—		—	—	*7,103	*2,443	*11,181	*11,591		—
$20,000 under $25,000	—		—	—	*11,115	*4,381	29,092	25,327	*300	*32
$25,000 under $30,000		—	—	—	*25,388	*7,740	23,301	40,463	*2,365	*78
$30,000 under $40,000	—	—	†	†	78,050	72,253	45,089	87,337	*5,393	*4,610
$40,000 under $50,000	—	—	*1,498	*765	41,877	28,791	30,031	60,926	*2,156	*43
$50,000 under $75,000	—		*1,677	*4,279	86,219	48,932	37,085	70,286	*4,577	*809
$75,000 under $100,000	—	—	*1,509	*4,811	68,373	105,290	21,596	44,499	*1,724	*857
$100,000 under $200,000	—	—	6,660	20,021	86,912	226,162	33,950	88,616	2,892	1,482
$200,000 under $500,000	—		8,570	57,186	46,430	182,248	18,914	73,646	3,855	7,231
$500,000 under $1,000,000	—	—	3,288	42,402	15,031	129,973	7,512	46,028	1,596	4,204
$1,000,000 or more	—	—	2,895	73,757	10,676	260,778	6,656	122,700	1,274	5,360
Taxable returns, total	**2,684,462**	**638,925**	**26,359**	**202,064**	**535,966**	**989,175**	**238,711**	**576,443**	**28,986**	**25,868**
No adjusted gross income			†	†	*6	*3	**5,727	**1,173	—	—
$1 under $1,000	—	—	—	—	—	—	—	—	—	—
$1,000 under $2,000	—		—	—	—	—	—	—	—	—
$2,000 under $3,000			—	—	*3,551	*50	—	—	—	—
$3,000 under $4,000	—	—	—	—	—	—	—	—	—	—
$4,000 under $5,000	—	—		—	—	—	—	—	—	—
$5,000 under $6,000			—	—	—	—	—	—		—
$6,000 under $7,000	—	—	—	—	*3,551	*4	—	—	—	—
$7,000 under $8,000	*1,381	*1,207	—	—	—	—	—	—	—	
$8,000 under $9,000			—	—	*7,103	*192	—	—	—	—
$9,000 under $10,000	*2,125	*283	—	—	*3,551	*1,389	—	—	—	—
$10,000 under $11,000	*17,071	*4,873		—	*7,103	*85	**	**		—
$11,000 under $12,000	*13,555	*7,707		—	—	—	*2,575	*456		
$12,000 under $13,000	101,333	54,923		—	*3,215	*170	—		—	
$13,000 under $14,000	214,861	105,824			*3,782	*332	*2,575	*2,328		
$14,000 under $15,000	335,851	129,858		—	*7,333	*1,429	—			
$15,000 under $16,000	520,637	153,174		—	*10,884	*493	*2,858	*97		
$16,000 under $17,000	524,909	105,135		—		—	*4,249	*2,471		
$17,000 under $18,000	628,922	65,933		—	*7,103	*1,715	*6,814	*2,097		
$18,000 under $19,000	323,819	10,009		—	*14,205	*2,962	*322	*291	*2,858	*1,163
$19,000 under $20,000	—			—	*7,103	*2,443	*2,858	*1,274	—	
$20,000 under $25,000					*7,563	*2,208	*14,577	*8,591	*300	*32
$25,000 under $30,000				—	*25,388	*7,740	*10,299	*10,282	*2,365	*78
$30,000 under $40,000			†	†	74,034	51,940	31,897	47,574	*5,393	*4,610
$40,000 under $50,000			*1,498	*765	37,635	4,267	29,273	58,044	*2,156	*43
$50,000 under $75,000		—	*1,677	*4,279	85,989	47,413	36,188	67,558	*4,577	*809
$75,000 under $100,000			*1,509	*4,811	68,373	105,290	21,592	44,450	*1,724	*857
$100,000 under $200,000			6,640	19,811	86,448	209,146	33,855	87,501	2,892	1,482
$200,000 under $500,000			8,559	56,790	46,361	177,020	18,887	73,547	3,852	7,229
$500,000 under $1,000,000			**6,179	**115,564	15,021	127,561	**14,165	**168,709	1,596	4,204
$1,000,000 or more			**	**	10,664	245,324	**	**	1,274	5,360
Nontaxable returns, total	**2,097,685**	**463,467**	**34**	**1,199**	**23,250**	**98,028**	**125,458**	**141,766**	**3**	**2**

(See footer of table)

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Income tax after credits		Total income tax		Alternative minimum tax		All other taxes			
							Total		Tax from recomputing prior-year investment credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
All returns, total	**87,120,969**	**411,842,025**	**87,135,332**	**412,869,909**	**113,562**	**1,027,884**	**13,196,241**	**18,399,807**	**287,789**	**234,202**
No adjusted gross income	14	715	5,952	108,837	5,940	108,122	150,162	184,846	6,469	9,394
$1 under $1,000	904,844	30,726	904,855	31,040	*11	*314	59,560	36,305	—	—
$1,000 under $2,000	1,084,347	89,217	1,084,349	89,331	**4	**166	177,359	37,676	—	—
$2,000 under $3,000	884,236	83,777	884,236	83,777	—	—	205,951	56,153	*2,858	*6
$3,000 under $4,000	1,341,718	157,216	1,341,720	157,267	**	**	254,553	93,882	*7	*( )
$4,000 under $5,000	949,608	238,795	949,608	238,795	—	—	214,025	96,059	—	—
$5,000 under $6,000	1,979,495	376,308	1,979,501	376,454	**8	**148	332,970	189,769	*1,381	*443
$6,000 under $7,000	2,019,101	567,850	2,019,102	567,852	**	**	265,991	158,558	*6,475	*838
$7,000 under $8,000	1,915,160	789,638	1,915,160	789,638	—	—	269,132	198,358	*2,125	*2,311
$8,000 under $9,000	1,940,741	1,013,597	1,940,746	1,013,683	*5	*86	287,866	218,499	*2,858	*3
$9,000 under $10,000	1,911,374	1,166,984	1,911,374	1,166,984	—	—	274,341	222,028	*6,931	*939
$10,000 under $11,000	2,023,012	1,381,529	2,023,118	1,381,952	*106	*423	293,366	219,012	**2,859	**3
$11,000 under $12,000	1,916,069	1,517,688	1,916,366	1,519,100	*960	*1,412	265,934	216,303	—	—
$12,000 under $13,000	2,079,875	1,829,596	2,080,175	1,832,371	**301	**2,788	264,464	243,609	—	—
$13,000 under $14,000	2,195,156	2,128,938	2,195,157	2,128,951	**	**	285,173	272,929	**	**
$14,000 under $15,000	2,189,554	2,379,670	2,189,640	2,382,438	*86	*2,769	230,674	245,616	*2,125	*2
$15,000 under $16,000	2,362,431	2,706,451	2,362,514	2,710,372	*83	*3,921	241,866	232,177	**2,860	**7
$16,000 under $17,000	2,193,734	2,743,356	2,194,035	2,743,404	*301	*48	244,713	250,594	**	**
$17,000 under $18,000	2,342,945	3,219,594	2,342,965	3,219,645	*21	*51	283,097	290,806	*2,859	*989
$18,000 under $19,000	2,131,773	3,164,578	2,131,858	3,165,841	*86	*1,263	230,819	251,546	**3,957	**2,266
$19,000 under $20,000	2,098,348	3,461,504	2,098,442	3,465,798	*759	*4,294	267,732	306,761	**	**
$20,000 under $25,000	9,140,158	18,266,445	9,141,213	18,278,344	*1,357	*11,899	1,097,816	1,332,910	*5,886	*115
$25,000 under $30,000	7,461,397	20,350,002	7,461,750	20,361,642	3,063	11,640	1,037,593	1,332,273	19,751	3,266
$30,000 under $40,000	11,895,037	44,110,509	11,895,769	44,138,991	7,956	28,482	1,724,787	2,279,281	21,400	5,354
$40,000 under $50,000	8,248,966	42,743,177	8,249,552	42,768,361	5,572	25,183	1,323,007	2,019,984	19,099	5,405
$50,000 under $75,000	8,895,457	74,303,253	8,897,085	74,340,917	14,120	37,664	1,637,863	3,196,400	48,908	15,162
$75,000 under $100,000	2,518,146	35,630,908	2,518,463	35,685,329	14,883	54,421	560,055	1,570,241	26,213	5,154
$100,000 under $200,000	1,774,587	47,647,960	1,776,104	47,837,393	33,887	189,433	497,872	1,692,080	46,726	22,385
$200,000 under $500,000	547,229	38,446,620	547,869	38,699,740	17,541	253,120	161,316	601,916	34,299	20,246
$500,000 under $1,000,000	114,564	19,040,602	114,682	19,162,981	4,329	122,380	35,087	126,500	12,010	17,295
$1,000,000 or more	61,896	42,254,821	61,972	42,422,678	2,182	167,857	21,099	226,736	9,737	122,618
Taxable returns, total	**87,120,969**	**411,842,025**	**87,135,332**	**412,869,909**	**113,562**	**1,027,884**	**10,743,547**	**16,492,454**	**266,151**	**224,081**
No adjusted gross income	14	715	5,952	108,837	5,940	108,122	3,522	11,541	1,442	3,204
$1 under $1,000	904,844	30,726	904,855	31,040	*11	*314	*2,575	*232	—	—
$1,000 under $2,000	1,084,347	89,217	1,084,349	89,331	**4	**166	*12,091	*2,328	—	—
$2,000 under $3,000	884,236	83,777	884,236	83,777	—	—	26,263	6,166	—	—
$3,000 under $4,000	1,341,718	157,216	1,341,720	157,267	**	**	45,834	12,038	—	—
$4,000 under $5,000	949,608	238,795	949,608	238,795	—	—	40,891	15,650	—	
$5,000 under $6,000	1,979,495	376,308	1,979,501	376,454	**8	**148	172,815	98,976	—	—
$6,000 under $7,000	2,019,101	567,850	2,019,102	567,852	**	**	105,434	59,727	*2,858	*497
$7,000 under $8,000	1,915,160	789,638	1,915,160	789,638	—	—	116,412	84,455	—	—
$8,000 under $9,000	1,940,741	1,013,597	1,940,746	1,013,683	*5	*86	125,398	72,820	*2,858	*3
$9,000 under $10,000	1,911,374	1,166,984	1,911,374	1,166,984	—	—	138,654	100,352	*2,125	*455
$10,000 under $11,000	2,023,012	1,381,529	2,023,118	1,381,952	*106	*423	166,979	120,143	**2,859	**3
$11,000 under $12,000	1,916,069	1,517,688	1,916,366	1,519,100	*960	*1,412	161,253	112,743	—	—
$12,000 under $13,000	2,079,875	1,829,596	2,080,175	1,832,371	**301	**2,788	168,532	146,186	—	—
$13,000 under $14,000	2,195,156	2,128,938	2,195,157	2,128,951	**	**	166,091	151,355	**	**
$14,000 under $15,000	2,189,554	2,379,670	2,189,640	2,382,438	*86	*2,769	167,346	171,441	*2,125	*2
$15,000 under $16,000	2,362,431	2,706,451	2,362,514	2,710,372	*83	*3,921	198,058	177,041	*2,858	*6
$16,000 under $17,000	2,193,734	2,743,356	2,194,035	2,743,404	*301	*48	200,424	200,252	—	—
$17,000 under $18,000	2,342,945	3,219,594	2,342,965	3,219,645	*21	*51	257,628	270,095	*2,858	*989
$18,000 under $19,000	2,131,773	3,164,578	2,131,858	3,165,841	*86	*1,263	210,384	213,332	*3,956	*2,262
$19,000 under $20,000	2,098,348	3,461,504	2,098,442	3,465,798	*759	*4,294	252,274	280,312	—	—
$20,000 under $25,000	9,140,158	18,266,445	9,141,213	18,278,344	*1,357	*11,899	1,058,491	1,246,745	*5,886	*115
$25,000 under $30,000	7,461,397	20,350,002	7,461,750	20,361,642	3,063	11,640	1,013,478	1,284,891	19,663	3,247
$30,000 under $40,000	11,895,037	44,110,509	11,895,769	44,138,991	7,956	28,482	1,702,808	2,237,048	21,099	5,323
$40,000 under $50,000	8,248,966	42,743,177	8,249,552	42,768,361	5,572	25,183	1,320,306	2,014,234	18,435	5,327
$50,000 under $75,000	8,895,457	74,303,253	8,897,085	74,340,917	14,120	37,664	1,635,680	3,188,799	48,610	15,148
$75,000 under $100,000	2,518,146	35,630,908	2,518,463	35,685,329	14,883	54,421	559,611	1,568,364	26,210	5,151
$100,000 under $200,000	1,774,587	47,647,960	1,776,104	47,837,393	33,887	189,433	497,060	1,691,100	46,326	22,367
$200,000 under $500,000	547,229	38,446,620	547,869	38,699,740	17,541	253,120	161,143	601,113	34,258	20,099
$500,000 under $1,000,000	114,564	19,040,602	114,682	19,162,981	4,329	122,380	35,042	126,374	11,996	17,273
$1,000,000 or more	61,896	42,254,821	61,972	42,422,678	2,182	167,857	21,074	226,605	9,731	122,609
Nontaxable returns, total	—	—	—	—	—	—	**2,452,693**	**1,907,353**	**21,638**	**10,121**

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All other taxes—Continued						Earned income credit used to offset other taxes		Number of returns without tax liability
	Penalty tax on individual retirement arrangements		Self-employment tax		Social security taxes on tip income				
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	**1,951,890**	**853,919**	**11,195,247**	**17,264,586**	**138,057**	**20,308**	**1,168,925**	**536,562**	**20,706,812**
No adjusted gross income	8 279	10 051	136 330	164 641	*1 199	*735	37 533	16 232	713 370
$1 under $1 000	--	—	59 560	36 305	—	—	*11 286	*3 735	2 173 507
$1 000 under $2 000	*2 858	*857	174 502	36 818		—	21 165	5 942	2 636 486
$2 000 under $3 000	*4 982	*166	200 235	55 981	—	—	44 989	12 004	2 567 577
$3 000 under $4 000	*7 107	*832	249 569	93 050	—	—	46 449	13 589	1 837 427
$4 000 under $5 000	*10 697	*4 025	202 594	92 003	*2 858	*31	44 001	19 734	2 036 555
$5 000 under $6 000	*2 125	*610	331 589	188 716	—	—	87 817	50 955	1 022 715
$6 000 under $7 000	*12 170	*4 838	255 260	152 882	—	—	92 538	56 786	1 034 053
$7 000 under $8 000	*7 840	*4 609	252 719	189 474	*8 573	*1 963	84 124	54 079	1 107 865
$8 000 under $9 000	*13 555	*2 524	257 165	214 681	*14 288	*1 292	97 612	64 636	983 351
$9 000 under $10 000	*5 715	*797	260 682	219 825	*5 715	*466	96 223	59 408	984 292
$10 000 under $11 000	*16 433	*2 075	268 380	216 342	*5 715	*592	93 608	46 565	747 555
$11 000 under $12 000	*20 662	*7 036	238 091	207 341	*11 430	*1 926	92 516	42 673	717 431
$12 000 under $13 000	*20 003	*2 395	241 603	240 471	*2 858	*743	80 057	31 924	575 657
$13 000 under $14 000	*17 166	*2 506	262 291	269 849	*5 715	*574	91 464	29 079	508 160
$14 000 under $15 000	28 222	2 446	206 616	241 879	*5 715	*1 289	58 439	15 897	382 497
$15 000 under $16 000	46 440	11 169	201 704	221 003	—	—	35 389	6 746	196 968
$16 000 under $17 000	27 399	4 035	218 045	246 331	*2 125	*227	33 957	4 963	131 774
$17 000 under $18 000	36 137	11 939	247 125	277 363	*5 715	*514	*12 003	*1 446	88 359
$18 000 under $19 000	26 084	3 302	205 478	245 981	-	—	*7 754	*168	43 878
$19 000 under $20 000	39 428	6 251	227 570	300.308	*2 858	*197		—	27 819
$20 000 under $25 000	135 175	43.816	972 043	1,287 255	*15 919	*1 724		—	98 225
$25 000 under $30 000	164 019	45 486	870 693	1,280,302	*13 204	*3,220	—	—	31 874
$30 000 under $40 000	323 581	85 401	1 413,281	2 187 162	*17 933	*1 364	—	—	38 851
$40 000 under $50 000	299 306	103 898	1.046 192	1 908 738	*7 491	*1 944	—	—	12 261
$50 000 under $75 000	472 273	218 381	1 181 891	2 961,854	*7 850	*1.003	—	—	4 817
$75 000 under $100 000	119 265	87 638	434 151	1 477 448	—	—	—	—	1 569
$100 000 under $200 000	67 925	86 741	410 955	1 582 849	*710	*91	—	—	1 342
$200 000 under $500 000	13 301	49 277	130 729	530.360	*166	*355	—	—	430
$500 000 under $1 000 000	2 278	14 166	25 393	92 935	—	—	—	—	81
$1 000 000 or more	1 465	36 653	12 810	44 436	*21	*57		—	68
Taxable returns, total	**1,860,307**	**817,932**	**8,848,785**	**15,408,141**	**113,998**	**15,507**	—	—	—
No adjusted gross income	101	409	2 023	7 842	†	†	—	—	
$1 under $1 000		—	*2 575	*232	—	—	—	—	-
$1 000 under $2 000	—		*12 091	*2 328	-	—	—	—	
$2 000 under $3 000		—	26 263	6,166		—	—	—	
$3 000 under $4 000	-	—	45 834	12 038	—	—	-	—	
$4 000 under $5 000	*2 125	*30	38 033	15,589	*2 858	*31		—	
$5 000 under $6 000			172 815	98,976	—	—	--	—	
$6 000 under $7 000	*5 433	*1,719	99 718	57 511	—	—	—	—	
$7 000 under $8 000	*5 715	*3 043	107 840	81 211	†	†	—	—	
$8 000 under $9 000	*8 573	*1 189	105 395	71 122	*8 573	*506	-	—	
$9 000 under $10 000	*5 715	*797	127 223	98 635	*5 715	*466	-	—	
$10 000 under $11 000	*10 697	*1 541	150 567	118 410	*2 858	*189	—	—	
$11 000 under $12 000	*16 413	*4 556	136 267	106 264	*8 573	*1 923			
$12 000 under $13 000	*20 003	*2 395	148 529	143 791		—		—	
$13 000 under $14 000	*11 430	*1 440	151 803	149 769	*2 858	*146	—	—	
$14 000 under $15 000	*21 859	*1 972	146 145	168 178	*5 715	*1 289		—	
$15 000 under $16 000	42 200	10 713	160 754	166 322		—		—	
$16 000 under $17 000	*23 161	*3 453	177 997	196 571	*2 125	*227	-	—	
$17 000 under $18 000	35 473	11 674	222 320	256 918	*5 715	*514	—	—	
$18 000 under $19 000	*24 703	*2 912	186 425	208 158			—	—	
$19 000 under $20 000	39 428	6,251	212 113	273 863	*2 858	*197			
$20 000 under $25 000	132 113	42 722	934 399	1 202 184	*15 919	*1 724	—		
$25 000 under $30 000	161 654	45 088	849 030	1 233,335	*13 204	*3 220	—	—	-
$30 000 under $40 000	319 224	81 512	1 394 632	2 148 849	*17 933	*1 364		—	
$40 000 under $50 000	298 108	103 183	1 044 689	1 903 780	*7 491	*1 944		—	
$50 000 under $75 000	472 268	218 372	1 180 009	2,954 276	*7 850	*1 003	-	—	
$75 000 under $100 000	118 965	86 393	434 009	1 476 820	—	—		—	
$100 000 under $200 000	67 925	86 741	410 543	1,581,887	*710	*91	—	—	
$200 000 under $500 000	13 281	49 067	130 594	529 913	*166	*355	—	—	
$500 000 under $1 000 000	**3 738	**50 761	25 359	92 840	--		—	—	
$1 000 000 or more	**	**	12 793	44 363	*21	*57	—	—	-
Nontaxable returns, total	**91,583**	**35,986**	**2,346,462**	**1,856,446**	***24,059**	***4,801**	**1,168,925**	**536,562**	**20,706,812**

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments											
	Total		Income tax withheld		Estimated tax payments		Payment with request for extension of filing time		Excess social security taxes withheld		Credit for Federal tax on gasoline and special fuels	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
All returns, total	**100,691,733**	**444,343,680**	**93,542,541**	**342,220,135**	**12,443,029**	**80,328,108**	**1,232,645**	**20,603,585**	**953,151**	**847,460**	**955,836**	**317,085**
No adjusted gross income	401,811	1,091,998	248,452	498,611	87,526	437,542	30,248	108,872	2,146	2,809	80,621	39,563
$1 under $1,000	1,867,823	156,567	1,789,362	113,735	67,493	35,176	*8,503	*6,396	*19	*13	9,511	1,247
$1,000 under $2,000	2,878,998	358,339	2,809,291	326,631	40,571	21,985	*22,042	*5,677	—	—	19,247	4,047
$2,000 under $3,000	2,926,094	622,416	2,856,453	557,174	61,724	54,833	*22,053	*9,785	—	—	*8,663	*624
$3,000 under $4,000	2,688,682	816,654	2,586,078	725,467	112,144	79,615	*14,946	*10,543	—	—	8,338	1,003
$4,000 under $5,000	2,519,059	964,181	2,443,272	879,164	73,217	58,183	*15,679	*11,732	—	—	15,796	15,102
$5,000 under $6,000	2,430,903	1,147,959	2,277,478	1,011,839	173,186	129,530	*5,010	*4,716	*175	*209	*12,430	*1,665
$6,000 under $7,000	2,547,447	1,355,273	2,409,187	1,253,480	140,667	90,183	*14,203	*6,429	—	—	20,565	5,182
$7,000 under $8,000	2,657,463	1,664,042	2,451,566	1,461,532	248,123	188,500	*12,446	*9,244	—	—	17,521	4,649
$8,000 under $9,000	2,580,705	1,919,611	2,307,581	1,682,201	292,565	226,795	*3,088	*4,044	—	—	26,761	6,571
$9,000 under $10,000	2,623,277	2,181,064	2,389,113	1,937,541	277,143	231,171	*9,231	*4,496	**105	**352	35,673	7,504
$10,000 under $11,000	2,564,818	2,448,504	2,336,159	2,175,043	279,318	252,939	17,671	14,565	**	**	22,242	5,958
$11,000 under $12,000	2,463,217	2,620,213	2,158,170	2,261,588	351,508	336,448	*17,260	*13,624	—	—	38,046	8,524
$12,000 under $13,000	2,548,311	3,029,214	2,284,572	2,624,305	328,258	381,300	16,558	18,776	—	—	23,319	4,832
$13,000 under $14,000	2,670,638	3,489,499	2,391,476	3,021,595	367,357	459,267	*7,107	*6,092	—	—	*13,467	*2,544
$14,000 under $15,000	2,508,377	3,769,079	2,261,322	3,290,503	342,027	458,287	*14,879	*12,922	*3,454	*1,762	*15,020	*5,605
$15,000 under $16,000	2,483,044	4,028,855	2,293,954	3,547,996	308,523	465,840	*12,102	*11,104	*2,858	*2,029	*9,851	*1,887
$16,000 under $17,000	2,304,672	3,912,735	2,108,889	3,503,461	309,677	398,265	*7,330	*7,042	*300	*734	*16,906	*3,232
$17,000 under $18,000	2,390,020	4,498,800	2,183,766	3,986,109	296,416	481,313	19,565	24,563	*664	*232	28,315	6,583
$18,000 under $19,000	2,122,647	4,088,481	1,921,923	3,616,480	277,854	448,721	*14,802	*19,187	**987	**787	20,729	3,306
$19,000 under $20,000	2,074,677	4,557,489	1,902,160	4,004,130	256,590	498,855	*17,858	*41,423	**	**	28,813	13,081
$20,000 under $25,000	9,087,495	23,866,188	8,460,085	21,335,826	1,143,896	2,440,731	49,720	72,314	*5,079	*745	81,062	16,546
$25,000 under $30,000	7,454,129	25,306,054	6,987,088	22,787,877	903,778	2,349,740	57,150	139,280	*1,867	*83	89,754	28,425
$30,000 under $40,000	11,871,232	53,341,715	11,229,089	47,989,685	1,412,135	5,044,123	110,174	274,404	*7,910	*2,179	104,358	31,168
$40,000 under $50,000	8,203,441	49,011,375	7,788,733	43,961,439	1,050,383	4,731,845	117,502	274,711	63,940	15,915	69,323	26,621
$50,000 under $75,000	8,840,294	78,641,458	8,313,635	67,783,719	1,442,964	10,072,517	147,716	539,446	386,455	213,408	79,691	27,425
$75,000 under $100,000	2,503,416	35,884,511	2,262,769	27,776,539	675,693	7,134,805	129,689	766,584	218,338	192,400	27,136	13,695
$100,000 under $200,000	1,759,271	44,424,831	1,504,200	28,937,992	728,085	13,218,764	166,454	2,014,954	177,322	231,950	22,695	16,278
$200,000 under $500,000	543,970	34,262,803	443,224	20,059,801	281,955	11,062,415	97,874	3,016,608	58,038	114,455	6,916	8,391
$500,000 under $1,000,000	114,087	16,587,595	93,193	8,384,318	69,159	5,851,943	30,476	2,312,219	13,903	35,751	1,798	2,166
$1,000,000 or more	61,716	34,296,175	50,304	10,724,353	43,095	12,686,476	23,308	10,841,833	9,591	31,646	1,270	3,661
Taxable returns, total	**82,991,739**	**435,166,300**	**76,868,225**	**334,829,941**	**11,508,003**	**78,788,840**	**1,121,518**	**20,476,708**	**946,674**	**842,338**	**625,442**	**205,925**
No adjusted gross income	4,809	140,243	3,502	35,050	2,886	53,476	2,192	50,557	263	615	526	545
$1 under $1,000	253,599	21,700	219,302	10,590	31,440	10,887	*5,715	*223	—	—	—	—
$1,000 under $2,000	585,077	65,496	550,786	54,348	*22,863	*9,245	*11,430	*1,903	—	—	—	—
$2,000 under $3,000	694,357	132,454	662,924	112,631	31,434	14,565	*11,430	*5,258	—	—	—	—
$3,000 under $4,000	1,180,943	340,289	1,152,365	312,921	34,293	22,319	*8,573	*5,024	—	—	—	—
$4,000 under $5,000	830,754	357,522	816,466	341,193	*14,288	*8,784	*10,697	*7,544	—	—	—	—
$5,000 under $6,000	1,725,420	874,908	1,639,538	809,623	100,450	60,028	*4,988	*4,634	—	—	*2,577	*623
$6,000 under $7,000	1,732,054	1,032,600	1,641,486	961,634	105,514	67,639	*9,954	*3,327	—	—	—	—
$7,000 under $8,000	1,700,039	1,208,907	1,557,741	1,068,452	186,461	135,189	*5,340	*4,493	—	—	*2,575	*773
$8,000 under $9,000	1,741,783	1,455,005	1,558,501	1,303,852	198,060	150,508	—	—	—	—	*7,275	*646
$9,000 under $10,000	1,746,497	1,603,612	1,574,781	1,446,571	212,737	150,198	*4,249	*3,718	—	—	*16,676	*3,125
$10,000 under $11,000	1,849,471	1,932,640	1,655,786	1,703,108	242,226	218,789	*9,232	*8,550	—	—	*10,133	*2,193
$11,000 under $12,000	1,754,732	2,028,216	1,497,042	1,713,994	310,276	297,115	*13,754	*11,616	—	—	*13,917	*5,462
$12,000 under $13,000	1,948,603	2,439,020	1,725,751	2,105,246	284,668	317,213	*12,389	*14,525	—	—	*14,368	*2,036
$13,000 under $14,000	2,113,442	2,927,407	1,867,406	2,523,784	330,432	396,923	*7,107	*6,092	—	—	*5,150	*608
$14,000 under $15,000	2,105,337	3,329,090	1,882,552	2,914,171	311,200	398,765	*12,754	*11,618	*3,454	*1,762	*7,275	*2,775
$15,000 under $16,000	2,272,800	3,793,261	2,095,659	3,347,643	290,198	431,833	*7,853	*9,935	*2,858	*2,029	*7,726	*1,821
$16,000 under $17,000	2,148,229	3,741,388	1,967,040	3,354,662	293,254	378,212	*6,364	*5,496	—	—	*14,331	*3,018
$17,000 under $18,000	2,293,056	4,353,523	2,094,866	3,868,722	285,468	459,500	18,184	21,111	—	—	21,783	4,190
$18,000 under $19,000	2,069,703	4,007,057	1,878,946	3,559,099	263,719	425,874	*14,802	*19,187	—	—	*18,915	*2,896
$19,000 under $20,000	2,036,384	4,475,705	1,872,822	3,947,323	250,740	476,190	*17,858	*41,423	—	—	21,506	10,769
$20,000 under $25,000	8,975,800	23,584,787	8,374,689	21,180,439	1,124,922	2,317,868	49,420	72,284	*4,413	*684	71,786	13,486
$25,000 under $30,000	7,403,565	25,187,672	6,949,236	22,698,861	895,446	2,326,271	57,058	139,004	*670	*75	79,738	22,813
$30,000 under $40,000	11,819,330	53,181,659	11,189,678	47,902,940	1,399,758	4,974,643	108,126	271,754	*7,910	*2,179	100,377	29,986
$40,000 under $50,000	8,192,554	48,969,801	7,778,171	43,931,856	1,049,002	4,720,449	117,481	274,115	63,938	15,915	69,321	26,621
$50,000 under $75,000	8,834,351	78,602,474	8,309,951	67,761,107	1,440,289	10,059,477	147,026	536,462	386,042	213,068	79,689	27,417
$75,000 under $100,000	2,502,109	35,868,043	2,261,697	27,767,882	674,997	7,127,132	129,665	766,488	218,336	192,393	27,132	13,661
$100,000 under $200,000	1,757,767	44,396,055	1,503,170	28,930,929	727,105	13,199,251	166,329	2,012,851	177,295	231,862	22,692	16,270
$200,000 under $500,000	543,547	34,248,446	442,984	20,055,680	281,721	11,054,087	97,788	3,014,822	58,011	114,383	**8,708	**10,541
$500,000 under $1,000,000	113,988	16,580,555	93,138	8,382,844	69,101	5,846,854	30,464	2,311,759	13,897	35,739	**	**
$1,000,000 or more	61,642	34,286,766	50,252	10,722,785	43,057	12,679,555	23,296	10,840,935	9,587	31,635	1,267	3,650
Nontaxable returns, total	**17,699,995**	**9,177,380**	**16,674,315**	**7,390,194**	**935,026**	**1,539,268**	**111,127**	**126,877**	**6,477**	**5,122**	**330,394**	**111,160**

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Earned income credit refundable portion		Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
			Total		Refunded		Credited to 1989 estimated tax					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total	**7,878,788**	**4,257,493**	**79,143,548**	**78,837,972**	**76,414,800**	**68,990,260**	**4,016,487**	**9,847,712**	**27,185,438**	**61,507,880**	**3,326,495**	**536,842**
No adjusted gross income	50 197	15 635	369 456	945 338	332 146	766 548	54 011	178 790	73 008	118 186	18 850	3 030
$1 under $1 000	199 808	16 034	1 880 410	145 093	1 857 040	131 592	31 874	13 501	730 235	36 286	*5 720	*185
$1 000 under $2 000	368 171	73 716	2 842 717	407 425	2 831 287	404 214	*22 861	*3 212	708 558	96 200	*2 860	*264
$2 000 under $3 000	387 024	119 056	2 845 385	703 220	2 819 649	685 029	28 894	18 191	442 055	89 761	*1 473	*87
$3 000 under $4 000	412 059	183 051	2 573 322	876 981	2 544 088	858 969	54 134	18 012	453 754	115 158	*7 109	*32[illegible]
$4 000 under $5 000	449 142	264 772	2 409 524	1 006 699	2 384 613	994 390	34 143	12 309	345 580	104 190	38 391	1 324
$5 000 under $6 000	522 173	342 787	2 279 631	1 133 855	2 258 213	1 110 330	47 731	23 525	558 905	159 643	37 546	1 26[illegible]
$6 000 under $7 000	626 630	471 152	2 345 522	1 313 011	2 315 640	1 297 379	39 118	15 632	623 761	157 820	46 659	*1 61[illegible]
$7 000 under $8 000	663 100	541 533	2 366 355	1 486 974	2 310 829	1 453 002	78 437	33 972	616 589	216 221	24 194	905
$8 000 under $9 000	546 178	432 049	2 332 347	1 403 765	2 260 756	1 360 155	99 435	43 610	558 974	221 042	25 276	1 [illegible]
$9 000 under $10 000	658 750	493 875	2 255 409	1 581 156	2 209 384	1 550 383	72 258	30 773	595 673	237 014	46 158	1 193
$10 000 under $11 000	637 323	433 899	2 209 376	1 594 545	2 148 617	1 552 958	103 673	41 587	590 724	269 878	75 389	3 337
$11 000 under $12 000	632 085	347 863	2 038 040	1 538 020	1 957 137	1 470 485	106 547	67 535	631 261	264 658	43 283	1 989
$12 000 under $13 000	533 215	223 660	2 084 539	1 502 854	2,026 065	1 458 963	88 270	43 891	621 798	298 778	55 843	4 741
$13 000 under $14 000	470 586	153 546	2 225 433	1 556 924	2 144 912	1 475 601	128 951	81 322	564 305	290 762	94 283	4 082
$14 000 under $15 000	342 060	90 560	2 076 500	1 529 110	1 978 913	1 482 882	122 799	46 228	529 299	285 082	49 046	3 454
$15 000 under $16 000	166 324	35 096	2 042 780	1 466 283	1 979 305	1 377 158	98 617	89 125	534 142	341 141	58 117	3 007
$16 000 under $17 000	117 820	21 498	1 816 562	1 253 681	1 758 912	1 208 723	85 351	44 958	540 710	311 634	61 990	3 151
$17 000 under $18 000	74 015	6 851	1 920 233	1 388 377	1 870 141	1 343 153	77 283	45 224	531 127	396 545	68 753	4 814
$18 000 under $19 000	*22 128	*859	1 608 865	1 097 582	1 560 331	1 055 024	75 213	42 558	568 035	432 039	63 264	5 492
$19 000 under $20 000			1 622 526	1 204 521	1 554 416	1 130 282	88 053	74 239	519 191	427 558	74 186	7 96[illegible]
$20 000 under $25 000			7 084 861	6 113 672	6 858 747	5 833 504	317 331	280 088	2 159 498	1 884 705	280 583	25 96[illegible]
$25 000 under $30 000			5 557 161	5 450 857	5 381 [illegible]	5 204 440	274 034	246 417	1 944 397	1 860 502	251 938	21 784
$30 000 under $40 000			9 001 268	10 514 433	8 727 511	9 911 557	438 909	602 876	2 933 467	3 633 913	359 600	42 92[illegible]
$40 000 under $50 000	–	–	5 810 169	8 013 513	5 550 465	7 519 642	380 529	493 872	2 442 660	3 839 793	379 965	49 309
$50 000 under $75 000	–	–	5 156 675	9 272 783	4 851 315	8,323 531	436 362	949 252	3 741 432	8 251 918	554 690	83 276
$75 000 under $100 000			1 290 699	3 389 043	1 159 649	2 685 919	213 480	703 124	1 224 483	4 807 398	233 765	47 296
$100 000 under $200 000			785 343	3 977 785	605 474	2 667 565	249 147	1 310 220	986 746	9 183 585	268 726	101 158
$200 000 under $500 000			232 689	2 832 532	141 852	1 497 498	115 939	1 335 033	313 032	7 934 480	92 878	63 096
$500 000 under $1 000 000			51 159	1 410 207	25 709	577 856	31 238	832 351	62 959	4 135 926	17 231	23 832
$1 000 000 or more		-	28 588	2 727 733	10 316	601 449	21 862	2 126 284	33 078	11 105 565	8 820	24 593
Taxable returns, total	**–**	**–**	**61,088,723**	**66,036,192**	**58,588,391**	**56,652,081**	**3,650,619**	**9,384,111**	**25,884,594**	**60,760,085**	**3,169,871**	**526,745**
No adjusted gross income			3 103	52 817	1 116	32 123	2 481	20 694	2 765	33 672	1 409	7[illegible]
$1 under $1 000			199 300	18 064	187 870	16 852	*17 147	*1 212	699 840	27 820	*5 720	*185
$1 000 under $2 000			493 632	48 337	485 059	45 571	*20 003	*2 766	576 429	74 764	*2 860	*264
$2 000 under $3 000			560 090	100 327	548 659	93 821	*14 288	*6 507	321 289	57 816		
$3 000 under $4 000			1 025 804	237 608	1 011 516	231 427	*25 718	*6 181	315 916	66 795	*4 984	*170
$4 000 under $5 000			682 966	167 101	674 394	164 806	*11 430	*2 295	263 784	64 743	*21 395	*718
$5 000 under $6 000			1 478 849	533 011	1 466 027	526 008	29 235	7 003	497 794	134 389	28 966	856
$6 000 under $7 000			1 459 021	538 978	1 433 388	528 939	30 615	10 039	557 223	134 907	*24 213	*949
$7 000 under $8 000			1 377 421	515 731	1 336 757	494 356	57 810	21 375	529 165	181 540	*15 606	*62[illegible]
$8 000 under $9 000			1 463 617	551 417	1 426 092	534 683	57 524	16 734	474 271	184 185	*21 320	*1 270
$9 000 under $10 000		-	1 373 486	541 924	1 339 270	528 769	48 504	13 154	532 173	206 715	38 455	1 067
$10 000 under $11 000			1 484 083	666 869	1 426 287	627 129	45 724	39 740	536 073	238 926	58 383	1 604
$11 000 under $12 000			1 336 432	620 680	1 264 124	571 130	93 704	49 550	577 076	225 974	44 113	1 66[illegible]
$12 000 under $13 000			1 488 807	728 510	1 440 303	692 969	71 948	35 540	588 510	272 028	45 22[illegible]	3 98[illegible]
$13 000 under $14 000			1 687 075	882 514	1 614 394	815 244	107 631	67 270	508 082	289 016	83 210	3 69[illegible]
$14 000 under $15 000			1 683 137	1 030 131	1 590 436	991 994	111 239	38 137	500 767	258 271	46 829	3 352
$15 000 under $16 000			1 843 158	1 221 756	1 786 057	1 146 404	86 667	75 352	513 640	318 890	55 992	2 982
$16 000 under $17 000			1 677 105	1 084 323	1 619 454	1 049 196	81 100	35 127	511 948	289 299	45 696	2 708
$17 000 under $18 000			1 818 212	1 254 411	1 770 244	1 210 922	73 034	43 488	524 753	395 696	67 372	4 768
$18 000 under $19 000			1 566 543	1 031 165	1 518 011	988 948	74 547	42 217	551 027	409 212	59 002	4 844
$19 000 under $20 000			1 588 189	1 136 841	1 524 248	1 072 851	82 503	63 990	510 253	414 942	72 061	7 697
$20 000 under $25 000			6 988 769	5 858 149	6 766 404	5 630 561	310 873	227 589	2 133 427	1 823 267	269 001	24 816
$25 000 under $30 000			5 519 485	5 351 659	5 346 793	5 114 514	268 567	237 145	1 928 747	1 832 100	249 175	21 580
$30 000 under $40 000			8 954 349	10 382 244	8 682 810	9 792 801	443 703	589 443	2 926 438	3 619 511	358 219	42 887
$40 000 under $50 000			5 799 948	7 977 320	5 540 844	7 490 335	379 928	486 985	2 441 953	3 839 420	379 922	49 306
$50 000 under $75 000			5 151 033	9 239 641	4 847 653	8 292,016	434 067	947 625	3 741 131	8 250 047	554 389	83 164
$75 000 under $100 000	-		1 289 393	3 374 420	1 158,752	2 672,909	212 986	701 511	1 224 461	4 807 464	233 745	47 294
$100 000 under $200 000			783 842	3,949 697	604 000	2 641,226	248 812	1 308 471	986 649	9 183 293	268 721	101 157
$200 000 under $500 000	–	–	232 294	2 818 850	141 542	1 486,863	115,790	1 331 987	312 987	7 934 345	92 847	63 088
$500 000 under $1 000 000	–	-	51 062	1 403 255	25 633	571,742	31 200	831 512	62 949	4 135 886	**26 044	**48 423
$1 000 000 or more		–	28 516	2 718 442	10 258	594 971	21 838	2 123 472	33 071	11 105 552	**	**
Nontaxable returns, total	**7,878,788**	**4,257,493**	**18,054,825**	**12,801,780**	**17,826,409**	**12,338,179**	**365,868**	**463,601**	**1,300,844**	**747,796**	**156,624**	**10,098**

* Estimate should be used with caution because of the small number of sample returns on which it is based.
‡ Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
** Data combined to avoid disclosure of information for specific taxpayers.
[ ] Less than $500.
NOTE: Detail may not add to totals.

Table 3.4—Returns With Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	All returns											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of: Adjusted gross income	As a percent of: Modified taxable income			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All marginal rates	**90,186,916**	**3,031,603,960**	**2,073,889,949**	**1,331,100,678**	**417,502,019**	**292,246,037**	**411,769,989**	**13.6**	**19.9**	**90,186,916**	**2,073,889,949**	**417,531,969**
15 percent	63,901,793	1,209,022,798	647,741,725	647,741,725	97,130,916	97,161,259	93,256,178	7.7	14.4	89,434,924	1,283,857,598	192,578,640
28 percent	22,226,008	1,095,564,463	809,363,401	248,560,485	153,717,377	69,596,936	152,676,114	13.9	18.9	25,151,706	355,233,883	99,465,487
33 percent [1]	2,925,698	321,744,304	256,632,026	74,850,886	65,835,164	24,700,793	65,587,855	20.4	25.6	2,925,698	74,850,886	24,700,793
28 percent [1]	748,828	404,019,505	359,094,166	359,094,166	100,546,365	100,546,367	99,979,508	24.7	27.8	748,828	359,094,166	100,546,366
Form 8615	384,588	1,252,890	1,058,631	853,416	272,197	240,683	270,332	21.6	25.5	384,588	853,416	240,683

Tax rate classes	Joint returns and returns of surviving spouses											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of: Adjusted gross income	As a percent of: Modified taxable income			
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All marginal rates	**42,444,543**	**2,110,432,061**	**1,455,060,353**	**917,330,358**	**300,095,144**	**208,974,391**	**296,593,545**	**14.1**	**20.4**	**42,444,543**	**1,455,060,353**	**300,107,587**
15 percent	26,549,433	738,575,331	390,946,238	390,946,238	58,629,218	58,641,936	56,670,497	7.7	14.5	41,916,260	848,109,333	127,216,400
28 percent	13,455,394	799,311,614	579,516,783	179,218,819	110,226,418	50,181,269	109,334,042	13.7	18.9	15,366,827	259,785,719	72,740,001
33 percent [1]	1,911,433	248,561,033	196,330,070	58,898,040	50,524,675	19,436,353	50,258,208	20.2	25.6	1,911,433	58,898,040	19,436,353
28 percent [1]	528,283	323,984,083	288,267,262	288,267,262	80,714,833	80,714,833	80,330,798	24.8	27.9	528,283	288,267,262	80,714,833
Form 8615	—	—	—	—	—	—	—	—	—	—	—	—

Tax rate classes	Separate returns of husbands and wives											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of: Adjusted gross income	As a percent of: Modified taxable income			
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All marginal rates	**1,450,838**	**39,108,739**	**28,380,274**	**18,037,595**	**6,077,314**	**4,293,241**	**5,990,288**	**15.3**	**21.1**	**1,450,838**	**28,380,274**	**6,078,097**
15 percent	865,263	11,671,365	6,448,152	6,448,152	966,794	967,223	936,291	8.0	14.5	1,439,843	14,995,032	2,249,255
28 percent	489,370	14,503,621	10,745,789	3,466,407	2,062,180	970,594	2,045,166	14.1	19.0	574,580	5,262,206	1,473,418
33 percent [1]	85,210	5,785,818	4,682,777	1,619,480	1,227,345	534,428	1,231,671	21.3	26.3	85,210	1,619,480	534,428
28 percent [1]	10,995	7,147,936	6,503,557	6,503,557	1,820,996	1,820,996	1,777,160	24.9	27.3	10,995	6,503,557	1,820,996
Form 8615	—	—	—	—	—	—	—	—	—	—	—	—

Footnote(s) at end of table

Table 3.4—Returns With Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	Returns of heads of households											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of: Adjusted gross income	As a percent of: Modified taxable income			
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All marginal rates	**7,872,362**	**181,089,806**	**102,097,472**	**76,754,891**	**17,777,246**	**13,662,005**	**15,828,527**	**8.7**	**15.5**	**7,872,362**	**102,097,472**	**17,780,941**
15 percent	6,896,636	127,120,133	60,807,475	60,807,475	9,117,836	9,121,121	7,287,940	5.7	12.0	7,854,791	83,707,377	12,556,107
28 percent	893,448	39,281,255	28,757,656	7,404,244	5,275,800	2,073,188	5,178,816	13.2	18.0	958,155	9,846,922	2,757,138
33 percent [1]	64,707	6,756,681	5,501,319	1,512,150	1,414,924	499,010	1,413,849	20.9	25.7	64,707	1,512,150	499,010
28 percent [1]	17,572	7,931,738	7,031,022	7,031,022	1,968,686	1,968,686	1,947,922	24.6	27.7	17,572	7,031,022	1,968,686
Form 8615			—	—	—	—	—	—	—	—	—	—

Tax rate classes	Returns of single persons											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of: Adjusted gross income	As a percent of: Modified taxable income			
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All marginal rates	**38,419,173**	**700,973,353**	**488,351,850**	**318,977,834**	**93,552,314**	**65,316,399**	**93,357,628**	**13.3**	**19.1**	**38,419,173**	**488,351,850**	**93,565,344**
15 percent	29,590,461	331,655,969	189,539,860	189,539,860	28,417,068	28,430,979	28,361,451	8.6	15.0	38,224,030	337,045,856	50,556,878
28 percent	7,387,796	242,467,974	190,343,173	58,471,015	36,152,978	16,371,884	36,118,090	14.9	19.0	8,252,145	80,339,035	22,494,930
33 percent [1]	864,349	60,640,772	50,117,860	12,821,217	12,668,221	4,231,002	12,684,127	20.9	25.3	864,349	12,821,217	4,231,002
28 percent [1]	191,979	64,955,749	57,292,326	57,292,326	16,041,850	16,041,851	15,923,628	24.5	27.8	191,979	57,292,326	16,041,851
Form 8615	384,588	1,252,890	1,058,631	853,416	272,197	240,683	270,332	21.6	25.5	384,588	853,416	240,683

[1] For 1988, the tax rate schedules contained only two basic rates, 15 percent and 28 percent. However, taxable income over certain levels were subject to an additional 5 percent tax, making for a temporary 33 percent marginal rate. The purpose of this was to phase out the benefit of the 15 percent rate and the benefit of the deduction for personal exemptions for taxpayers and dependents. After these benefits were phased out, the marginal tax rate reverted to 28 percent—at that point, the average tax rate was also 28 percent.

NOTE: Detail may not add to total because of rounding.

Table 3.5—Returns With Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate					
					15 Percent			28 Percent		
					Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	**90,186,916**	**2,069,842,771**	**2,073,889,949**	**417,502,019**	**89,434,924**	**1,283,857,598**	**192,578,640**	**25,151,706**	**355,233,883**	**99,465,487**
Under $2,000	1,984,169	689,164	694,537	115,060	1,984,169	592,123	88,818	—	—	—
$2,000 under $4,000	2,220,239	1,485,218	1,469,505	236,661	2,217,382	1,296,363	194,454	—	—	—
$4,000 under $6,000	2,957,422	3,983,428	3,889,283	596,983	2,957,422	3,789,561	568,434	—	—	—
$6,000 under $8,000	4,017,592	9,014,049	8,879,083	1,343,329	4,017,592	8,792,643	1,318,896	—	—	—
$8,000 under $10,000	4,341,482	15,305,677	15,064,322	2,257,601	4,341,482	15,064,322	2,259,648	—	—	—
$10,000 under $12,000	4,803,554	21,169,307	21,023,229	3,151,196	4,803,554	21,023,229	3,153,484	—	—	—
$12,000 under $14,000	5,137,676	29,979,141	29,813,230	4,475,743	5,137,676	29,778,875	4,466,831	—	—	—
$14,000 under $16,000	5,004,077	37,510,185	37,296,678	5,597,446	5,004,077	37,255,694	5,588,354	*2,858	*529	*148
$16,000 under $18,000	4,683,976	42,095,127	41,942,815	6,289,178	4,683,976	41,942,815	6,291,422	—	—	—
$18,000 under $20,000	4,271,295	45,602,105	45,467,472	6,828,909	4,271,295	45,391,904	6,808,786	36,416	22,909	6,414
$20,000 under $25,000	9,191,617	123,752,465	123,529,176	18,717,951	9,191,617	122,063,835	18,309,575	1,206,904	1,399,253	391,791
$25,000 under $30,000	7,485,237	130,581,872	130,422,850	20,767,799	7,485,237	121,139,285	18,170,893	2,360,587	9,283,565	2,599,398
$30,000 under $40,000	11,920,216	274,610,363	274,516,460	44,922,812	11,920,216	245,677,633	36,851,645	3,497,940	28,829,119	8,072,153
$40,000 under $50,000	8,253,967	255,121,323	255,167,430	43,351,067	8,253,967	216,158,106	32,423,716	5,335,597	38,887,290	10,888,441
$50,000 under $75,000	8,897,248	383,088,855	383,206,995	74,858,442	8,897,248	251,380,069	37,707,010	8,468,028	127,026,446	35,567,405
$75,000 under $100,000	2,518,150	159,574,120	159,700,887	35,827,287	2,515,993	71,662,195	10,749,329	2,496,937	79,187,740	22,172,567
$100,000 under $200,000	1,775,165	183,252,229	183,890,978	47,882,840	1,645,361	47,706,307	7,155,946	1,640,564	66,184,441	18,531,643
$200,000 under $500,000	547,349	134,674,808	137,444,027	38,550,404	106,144	3,129,088	469,363	105,387	4,395,532	1,230,749
$500,000 under $1,000,000	114,575	67,559,945	68,453,870	19,166,602	451	11,763	1,764	427	14,977	4,193
$1,000,000 or more	61,910	150,793,390	152,017,124	42,564,709	65	1,787	268	61	2,083	583

Size of adjusted gross income	Tax generated at specified rate—Continued								
	33 Percent [1]			28 Percent [1]			Form 8615		
	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Total	**2,925,698**	**74,850,886**	**24,700,793**	**748,828**	**359,094,166**	**100,546,366**	**384,588**	**853,416**	**240,683**
Under $2,000	—	—	—	—	—	—	231,466	102,414	26,490
$2,000 under $4,000	—	—	—	—	—	—	97,158	173,142	42,970
$4,000 under $6,000	—	—	—	—	—	—	28,576	99,722	29,879
$6,000 under $8,000	—	—	—	—	—	—	*14,288	*86,440	*26,344
$8,000 under $10,000	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	*2,858	*34,354	*11,336
$14,000 under $16,000	—	—	—	—	—	—	*2,858	*40,455	*11,328
$16,000 under $18,000	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	—	—	—	—	—	—	*2,858	*52,660	*15,748
$20,000 under $25,000	—	—	—	—	—	—	*2,858	*66,088	*20,512
$25,000 under $30,000	—	—	—	—	—	—	—	—	—
$30,000 under $40,000	*1,381	*9,708	*3,204	—	—	—	—	—	—
$40,000 under $50,000	57,113	122,034	40,271	—	—	—	—	—	—
$50,000 under $75,000	602,996	4,800,479	1,584,158	—	—	—	—	—	—
$75,000 under $100,000	667,305	8,543,379	2,819,315	*2,157	*210,274	*58,877	*1,198	*97,298	*27,237
$100,000 under $200,000	1,492,315	51,897,954	17,126,325	129,509	18,056,313	5,055,768	*295	*45,963	*13,281
$200,000 under $500,000	104,202	9,453,730	3,119,731	441,205	120,430,826	33,720,631	*166	*34,851	*9,935
$500,000 under $1,000,000	343	20,941	6,911	114,124	68,406,190	19,153,733	—	—	—
$1,000,000 or more	42	2,660	878	61,833	151,990,563	42,557,358	*11	*20,031	*5,622

* Estimate should be used with caution because of the small number of sample returns on which it is based

[1] For 1988, the tax rate schedules contained only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels were subject to an additional 5 percent tax, making for a temporary 33 percent marginal rate. The purpose of this was to phase out the benefit of the 15 percent rate and the benefit of the deduction for personal exemptions for taxpayers and dependents. After these benefits were phased out, the marginal tax rate reverted to 28 percent—at that point, the average tax rate was also 28 percent.

NOTE: Detail may not add to total because of rounding.

Section 4

High-Income Returns: Taxable and Nontaxable*

Introduction

Each year, a small number of individual income tax returns which report income of $200,000 or more do not show any income tax liability. Although such returns represent only a tiny fraction of all Federal income tax returns with high incomes (fewer than 1 in 800 returns), they generate a great deal of interest. Attention focuses on the features of the income tax system that seem to permit some high-income people to completely avoid Federal income tax at the same time that other taxpayers, most of whom have much lower incomes, have tax liabilities amounting to significant shares of their incomes. Information on the reasons for nontaxability of some high-income filers may provide a basis for discussing whether such features are necessary and appropriate in a broad-based income tax system.

The Tax Reform Act of 1976 required annual publication of data on individuals with high incomes, including the number of such individuals who did not pay any income tax and the importance of various tax provisions in making those individuals nontaxable [1]. The 1976 Act specified that the tax return data be tabulated using four different concepts of income [2]. The Deficit Reduction Act of 1984 eliminated the requirement for publishing data for the two lesser-used income concepts [3]. Data for the years 1974 through 1987 have been published previously [4].

This Section contains the available high-income tax return data for 1988, with emphasis on high-income returns which are nontaxable. At the end of the text but preceding the tables are two appendices which include summaries of the definitions and concepts which are crucial to an understanding of high-income tax returns in general and nontaxable, high-income returns in particular. Appendix A, "Income Concepts: A Primer," describes and explains the differences between the two concepts used to measure income. Appendix B, "Measurement of Taxes," discusses the proper measurement of income tax burdens, explains the different treatment of the foreign tax credit, outlines the methodology used to equate the importance of exclusions and deductions as compared with tax credits, and reviews certain limitations in the data underlying this Section.

This Section includes twelve tables with data representing 1988 income tax returns, mainly

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*Robert Kalish was responsible for production and table review, with assistance from William Bradley. Technical guidance was provided by Michael Strudler.

those with incomes of $200,000 or more under one or more different concepts of income. Most of the data are shown for taxable and nontaxable returns both separately and combined.

The tables show:

- The numbers of total and high-income returns (taxable, nontaxable, and combined) separately for the expanded income and the adjusted gross income concepts (Tables 1 and 2);
- The distributions of taxable income as a percentage of total income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationship between the two different income concepts used in this Section (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income taxes (Tables 7 and 8);
- The frequencies with which various itemized deductions and tax credits occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax as a percentage of income, for all returns and for high-income returns (Tables 11 and 12).

In addition to the data on high-income returns, the tables distribute all 1988 returns by broad income classes and cross-classify numbers of returns in each income class by each of the two income concepts. For purposes of comparison, the tables with distributions of returns by their effective tax rates include distributions for returns other than high-income returns.

Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income taxes; this is the treatment on tax returns. Tables 2, 4, 6, 8, 10, and 12 are similar to the first set of tables but treat foreign tax credits as part of the individual's income tax liability. In these tables, tax is referred to as "Modified Total Income Tax." This different treatment is explained in more detail under the heading "Foreign Tax Credits" in Appendix B.

Numbers of High-Income Tax Returns

For 1988, the number of tax returns with expanded income of at least $200,000 was 737,659 which represented 0.67 percent of all tax returns filed. The number of tax returns with AGI of at least $200,000 was 725,345, which represented 0.66 percent of all tax returns filed.

As the result of the inclusion in AGI since 1987 of 100 percent of long-term capital gains, the difference between the numbers of high-income returns under the two income concepts is substantially less than in years prior to 1987. That change, together with the limitations on deductions for various forms of tax-sheltered activities, makes the current definition of AGI a better measure of true economic income than it was prior to 1987.

Nontaxable High-Income Returns

For 1988, of the 737,659 income tax returns with expanded income of $200,000 or more, 397, or 0.054 percent, had no U.S. income tax liability; and 309, or 0.042 percent, showed no worldwide income tax liability. If not for the Alternative Minimum Tax, 866 income tax returns, or 0.117 percent, would have had no U.S. income tax liability and 778, or 0.105 percent, would have had no worldwide income tax liability [5].

Of the 725,345 tax returns filed in 1989 with AGI of $200,000 or more, 822 or 0.113 percent, reported no U.S. income tax; and 731, or 0.101 percent, had no worldwide tax liability. If not for the Alternative Minimum Tax, 1,657 income tax returns, or 0.228 percent, would have had no U.S. income tax liability and 1,566, or 0.216 percent, would have had no worldwide income tax liability.

Notes and References

[1] Section 2123, 90 Stat. at 1915.

[2] The concepts are: adjusted gross income (AGI), expanded income, AGI plus excluded preferences, and AGI less investment interest not in excess of investment income. See Appendix A for a discussion of AGI and expanded income.

[3] Section 441 (90 Stat. at 815) eliminated the requirement for using AGI plus excluded preferences and AGI less investment interest not in excess of investment income.

[4] Lerman, Allen H., "High Income Tax Returns: 1974 and 1975, A Report on High Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability", U.S. Department of Treasury, Office of Tax Analysis, March 1977, and "High Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns", U.S. Department of Treasury, Office of Tax Analysis, August 1978.

U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income--Individual Income Tax Returns*, reports for 1977 through 1982 and 1985 through 1987. (For 1977 and 1978, only the actual numbers of nontaxable, high-AGI returns have been published.)

Lerman, Allen H., "High Income Tax Returns, 1983", *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4, pp. 31-61.

Lerman, Allen H., "High Income Returns, for 1984", *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4, pp. 1-29.

[5] The number of returns which would have been nontaxable if not for the Alternative Minimum Tax is the total number of high income returns less the number which had sufficient taxable income to produce a positive amount of income tax after credits.

Appendix A

Income Concepts: A Primer

This Appendix contains an explanation of the differences between the two concepts of income which are used in this Section and an outline of how these concepts differ from the ideal economic concept of income. The two major conceptual differences between the income measures are detailed, and the exact relationships between the concepts are defined.

Economic Income, the Ideal Measure

Economists generally agree that for analyzing the impact of taxes, the ideal measure of income over a particular period of time, say a year, is the value of what the individual or family consumed over that period plus the change, if any, in its net worth [A1]. For example, if during a year a family spent $25,000 and saved $2,000, economists would say the family had an income of $27,000. Similarly, if the family spent $25,000 but owned an asset such as an automobile that decreased in value by $1,000, economists would say that the family had an income of only

$24,000. A brief examination of the differences between income as defined by economists, often called economic income, and the adjusted gross income (AGI) concept, used for Federal income tax administration, illustrates some of the problems of measuring income, especially for high-income individuals.

Adjusted Gross Income

The concept of adjusted gross income was developed for tax administration. It has never been meant to be an accurate measure of economic income. Indeed, it is well recognized that AGI is deficient as a measure of economic income. AGI excludes certain types of income, such as interest from tax-exempt State and local Government bonds, most social security benefits, imputed rent on owner-occupied housing, and the value of many employee fringe benefits. (Beginning with 1987, unlike immediately prior years, AGI does include 100 percent of net realized long-term capital gains.) Also, while not strictly excluded from AGI, income from other activities is deferred to a later year, or indefinitely, for income tax purposes. Depreciation deductions allowed for income tax purposes that exceed the decrease in the economic value of an asset often reduce AGI below economic income early in an asset's life. The resulting lower depreciation deductions in later years may raise AGI above economic income. The net effect, however, of accelerated depreciation is to postpone taxes, perhaps indefinitely [A2].

Adjusted gross income excludes most changes in net worth, such as all accrued, but unrealized, capital gains [A3].

Even though some types of income are excluded, AGI may overstate economic income because some expenses incurred in the production of income are not deductible in the computation of AGI. Most of these expenses, however, are deductible *from* AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions and then in some cases only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions include certain expenses of employees (such as union dues, expenditures for items used on-the-job but not reimbursed by the employer, and employees' travel, meal and entertainment expenses), job-related moving expenses, and expenses attributable to a taxpayer's investments (as opposed to the active operation of a trade or business) including, but not limited to, interest expense incurred in connection with investments in securities.

Although net capital losses reduce economic income, only the first $3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years.

Redefining Income

Ideally, the impact of all taxes should be measured relative to economic income. However, no accurate, detailed data on such a broadly-defined income measure are available from income tax returns (or from any other source) for a cross-section of American taxpayers. As a practical matter, any broad income measure for a large group of taxpayers must be calculated from data already available from Federal individual income tax returns. Thus, a more comprehensive income measure must start from AGI and, to the extent that data are available, must make adjustments for omitted income items and expenses that ought to be deductible in calculating economic income [A4].

Omitted Income and Accelerated Deductions

Tax returns contain information about only a portion of the income included in economic income but excluded from AGI. The omitted income that could be identified on 1988 income tax returns consisted of: interest received on tax-exempt State and local Government bonds;

current-year capital losses in excess of currently deductible amounts; payments to self-employed retirement (Keogh) and Individual Retirement Arrangement (IRA) pension savings plans; some social security benefits; and income from sources considered to be tax preferences for purposes of the alternative minimum tax. Even if no alternative minimum tax is due, such preferences are generally supposed to be reported on Form 6251, Alternative Minimum Tax Computation, which is supposed to accompany the person's income tax return [A5].

Even after including preference income which was not in AGI but which was identifiable on 1988 tax returns, several major sources of income for high-income taxpayers were still omitted [A6]:

- All accrued but unrealized income, primarily unrealized capital gains;
- Certain agricultural expenses deducted when paid, even though related income items are not includable in income until a later year;
- Imputed rental income from owner-occupied housing and from consumer durables;
- Straight-line depreciation deductions on real estate to the extent that they exceed economic depreciation;
- Income "sheltered" from taxation — primarily partnership income — through deferral of the recognition of income for tax purposes or the acceleration of deduction items (although these "sheltered" items are more limited in 1988 than previously); and
- The value of employee fringe benefits.

For real estate, the combination of a shorter life for tax purposes than the true economic life of the property and the use of accelerated depreciation methods may produce tax depreciation deductions exceeding economic depreciation, especially in the early years of ownership. Subsequently, income may be correspondingly higher, but in the meantime, the taxpayer has had the interest-free use of the deferred taxes.

Conceptual differences between income subject to ordinary tax and income benefiting from tax-preferred treatment may also lead to some understatement of income. Because of tax benefits, individuals may be willing to accept lower rates of return on investments yielding tax-preferred income. If one views that reduction in potential income as an "implicit tax" on that income (paid in lieu of ordinary tax), then the reporting of fully taxable and tax-preferred income is not consistent. Fully taxable income is being reported on a pre-tax basis, whereas a tax-preferred income is being shown on an after-tax basis. See "Implicit Tax" in Appendix B for further discussion of this concept.

Because income sources not identifiable from tax return data are excluded, all income measures used in the data for this Section may understate economic income. As a consequence, some individuals with high economic incomes may have been omitted completely from the high-income group covered by this report. Moreover, the income of some individuals who are included may have been understated, and tax as a percentage of income (i.e., the effective tax rate) may have been overstated.

Expenses

In measuring economic income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments. Since economic income would include all investment income, including accrued capital gains and losses, it would be proper to deduct all investment expenses without limit. Investment expenses in excess of income would then represent net economic losses, roughly akin to "net operating losses" from a trade or business.

However, such a liberal deduction for investment-related expenses is not necessarily correct when all income items have not been included currently.

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in *understating* income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets.

As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating a broader measure of income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest is taken into account in the calculation of the itemized deduction for interest. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A7]. Beginning in 1987, most of the types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of economic income, investment expenses have been *defined* as the entire interest deduction other than the interest paid on a home mortgage. Other investment expenses could not be determined since they could not be separated from the remainder of "miscellaneous" deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do *not* exceed investment income, they have been allowed as a deduction in the computation of a broader measure of income. Investment interest expenses which do *exceed* investment income are *not* deductible in calculating the broader income measure. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may *overstate* income by disallowing genuine investment losses. This arbitrary procedure has been selected because, especially with the omission of accrued capital gains from measured income, allowing all investment expenses to be deducted would represent a mismatching of income and expenses.

Certain expenses incurred in the production of income can be identified as itemized deductions. Such expenses subtracted in the calculation of expanded income include unreimbursed employee business expenses and work-related moving expenses.

Expanded Income

The Congress has asked for high-income data to be tabulated on the basis of a measure closely approximating economic income but using only data available on tax returns. This measure is called "expanded income."

Expanded income is defined as adjusted gross income (AGI) *plus* tax preference and other income items excluded from AGI *less* investment expenses to the extent that they do not exceed investment income, and *less* other identifiable expenses incurred in the production of income. [A8]. Tax preferences considered for 1988 were tax-exempt State and local Government bond interest and, where the taxpayer filed a Form 6251, Alternative Minimum Tax Computation, all other excluded income preferences subject to the minimum tax [A9] [A10]. For individuals, the only Alternative Minimum Tax preference items of significance are the excess of accelerated depreciation over straight-line depreciation on real property and on personal property subject to a lease (for property placed in service before 1987), the excess of percentage depletion over the cost of the property, the deduction for intangible drilling costs in excess of the amounts deductible if these costs had been amortized, incentive stock options, and the appreciated portion of the value of property contributed to charitable organizations. Upward adjustments are made for nontaxable social security benefits. Downward adjustments are made for unreimbursed employee business expenses, nondeductible rental loss, and the moving expense deduction. Because expanded income is based on tax return data, it excludes items such as accrued but unrealized capital gains, straight-line depreciation on real estate in excess of economic depreciation, most employee fringe benefits, and other items mentioned above, under "Omitted Income and Accelerated Deductions."

Two Income Measures

Current law requires high-income tax return data to be selected and classified on the basis of two different definitions of income: expanded income and adjusted gross income. Expanded income is the measure which most closely approximates economic income [A11]. Expanded income and AGI are related in the following manner [A12]:

Expanded Income

= Adjusted gross income
+ identifiable omitted income
— identifiable income production expenses

Adjusted Gross Income

= Expanded income
+ identifiable income production expenses
— identifiable omitted income

For any given taxpayer, AGI can be smaller or larger than expanded income depending on whether the amount of identifiable income excluded from AGI is larger or smaller than the identifiable expenses of producing income which are not deductible in calculating AGI.

Notes to Appendix A

[A1] This is the Haig-Simons definition of income.

[A2] For Tax Year 1988, the Internal Revenue Code defined adjusted gross income as all gross income not specifically excluded, and reduced by statutory adjustments. Among the exclusions were trade or business deductions (but generally not employee business expenses), depreciation deductions allowable for tax purposes, limited deductions for losses from the sale or exchange of property, certain deductions attributable to rents and royalty income, and deductions for contributions to individual retirement arrangements (IRA's) and self-employed retirement (Keogh) plans. In addition, gross income does not include the value of the services received

from the use of durable goods, such as imputed net rent from owner-occupied homes or from consumer durables. Finally, gross income and, hence, adjusted gross income, do not include interest on most types of State and local Government debt, most social security benefits, workers' compensation benefits, and most types of welfare benefits.

[A3] Gross income includes only income that has been "realized." Thus, for Federal income tax purposes, accrued increases or decreases in the value of assets are generally not included in income until any gain or loss is realized by a sale or exchange.

[A4] There have been attempts to create micro-data files that include approximations of economic income. Tax return data files have been "statistically merged", i.e., merged with information for persons having similar characteristics, with other files such as the Current Population Survey (CPS) of the Bureau of the Census. After the merge, certain additional data items that were not on either file have been "imputed" to each record of the merged file. Although such statistically merged files have proven useful for many purposes, they have only limited use—and must be used with great caution—for high-income individuals and families, each of which is likely to have more nearly unique financial and income characteristics that are not likely to be duplicated accurately through imputations or statistical merges.

[A5] The tax preferences (obtained from Form 6251, Alternative Minimum Tax Computation) excluded from adjusted gross income, tabulated in Tables 5 and 6, include the following items: the excess of accelerated depreciation over straight-line depreciation on certain real property and property subject to a lease (for property placed in service before 1987); the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the appreciated portion of the value of property contributed to charitable organizations; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceeded the otherwise allowable amortization deductions. Preferences from itemized deductions did not represent omitted income; hence, they were not counted as preference items in calculating a broader measure of income. The preference from tax-exempt interest from certain private activity bonds was not included since the interest for all tax-exempt State and local Government bonds was considered as omitted income.

[A6] Omission of nontaxable social security benefits which are not shown on tax returns and certain other items is relatively unimportant for high-income taxpayers.

[A7] Some income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from certain small business corporations, only the net amounts of which are included in adjusted gross income.

[A8] For the sake of brevity, "investment interest to the extent that it does not exceed investment income" is called "investment interest." "Investment interest in excess of investment income" is called "excess investment interest."

[A9] See footnote [A5].

[A10] Beginning in 1987, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt

interest income from State and local Government bonds. However, such interest income generally was not taxable.

[A11] Because of the inclusion starting in 1988 of tax-exempt State and local Government bond interest in the calculation of "expanded income," this income concept may not be strictly comparable to "expanded income" calculated for years prior to 1987. The subtraction of unreimbursed employee business expense, nondeductible rental loss, and the moving expense deduction is to make the concept of expanded income comparable to years prior to 1987. Because of the inclusion of nontaxable social security benefits for 1988, the income concept for 1988 is not strictly comparable to expanded income calculated for 1987.

[A12] The borderline between excess and non-excess investment interest depends on the income items actually included under each income concept. Hence, the size of the investment interest adjustment differs depending on which income concept is used.

Appendix B

Measurement of Taxes

This Appendix discusses the proper measurement of income tax burdens. First, two different treatments of the foreign tax credit are explained: as a tax on income; or as an item of tax preference. Second, the concept of an implicit tax on tax preference income is discussed. Third, the Appendix includes an outline of the methodology used in the tabulations of 1988 tax return data to equate the importance of tax credits with exclusions and deductions from the income base subject to tax. Finally, certain limitations in the underlying tax return data are summarized.

Foreign Tax Credits: Worldwide Taxes on Worldwide Income

Just as income must be measured properly, so must income taxes.

U.S. income taxes are based on worldwide income. Thus, U.S. citizens and residents generally must include income on their U.S. income tax returns regardless of whether it has been generated in the United States or in a foreign country. However, when a taxpayer has foreign source income, the U.S. income tax computed on global income often may be reduced dollar-for-dollar by the amount of foreign income tax that has been paid on that foreign income. These offsets for foreign income taxes are called "foreign tax credits" [B1].

Statistics of Income (SOI) data collected as a by-product of tax administration include global income as reported on U.S. income tax returns. The SOI data, however, usually include as taxes only U.S. income taxes net of the foreign tax credits that represent offsets for foreign income tax payments. For taxpayers with income from foreign sources, this procedure understates worldwide tax liabilities and effective tax rates. Since worldwide income is reported on U.S. tax returns, a more accurate measure of the tax burden imposed on that income would be obtained if all income taxes—U.S. as well as foreign—were considered. Analysis indicates that a substantial portion of the so-called non-taxable, high-income tax returns report that large shares of their income are from non-U.S. sources and that substantial amounts of foreign income taxes have been paid on that income. Thus, it does not seem appropriate to classify such taxpayers as nontaxable or to classify foreign tax credits as special tax benefits [B2].

In order to present a more realistic picture of the number of nontaxable, high-income tax returns and the reasons they are nontaxable, several tables in this Section have been prepared by redefining income tax liability to consist of the total amount of U.S. income taxes (income taxes after credits plus the alternative minimum tax) plus the amount of foreign tax credits. Because

information on foreign tax liabilities is not readily available in tabulations from U.S. income tax returns, foreign tax credits as shown on U.S. income tax returns are used as a proxy for foreign tax liabilities. Where foreign tax rates exceed U.S. rates, and in certain other instances, foreign tax credits actually will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign taxes understates global income tax liability. In cases in which foreign tax credits are for taxes paid on income from earlier years, use of foreign tax credits may either overstate *or* understate global taxes on the current year's income.

The tables redefining tax liability to include the foreign tax credit attempt to present an approximation of the true worldwide income tax burden on worldwide income. For the vast majority of taxpayers—with high incomes or otherwise—this adjustment is irrelevant, for they have little or no foreign-source income. However, for the small proportion of taxpayers with substantial foreign income, this adjustment is important. The policy implications of a person with a very large amount of income not paying U.S. income tax certainly would be different if U.S. nontaxability were the result of the person's living and working abroad and paying substantial amounts of foreign taxes than if all income were from U.S. sources and the person paid no income tax either to the U.S. Government or to any other government.

In order to be consistent with other SOI tabulations, all tables showing nontaxability or the amount of taxability on the basis of worldwide tax liability have been duplicated by other tables with tax liability defined in the more traditional way used for tax administration purposes: U.S. income tax liability after subtracting the value of any foreign tax credits. Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income tax liabilities. Tables 2, 4, 6, 8, 10, and 12 include foreign tax credits as part of the individual's income tax liability.

Implicit Tax

Income from certain tax-preferred sources is either not subject to any Federal individual income tax or benefits from reduced tax rates or the deferral of taxation, or both. To the extent that the income from such sources has been reduced because of the existence of tax preferences, the stated tax on such income understates the amount of tax effectively paid by the recipient of that income. In addition to any income tax actually paid, there is an "implicit tax" equal to the amount by which the income from that source has been reduced because of the tax preferences. Thus, the benefit to the recipient of tax-preferred income is less than the stated tax preference to the extent that the gross income from that source has been reduced in anticipation of the tax preference. As a result, an individual may be indifferent between a lower-yield, nontaxable income source and a higher-yield taxable source.

Tax-exempt income from State and local Government bonds provides the clearest example of an "implicit tax." Because of the tax exemption, the interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds with equivalent risk and maturity. The yields between tax-exempt and taxable bonds generally differ by an amount such that the yield on the tax-exempt bonds will be about the same or slightly more than the after-tax yield on an equivalent taxable bond. In reality, the holders of tax-exempt bonds are paying an "implicit tax" which is equal to the spread between the interest rates on the tax-free bond and the equivalent taxable bond multiplied by the face value of the bonds.

The main difference between implicit tax and ordinary Federal income tax is the recipient of the tax revenue. The general fund of the Federal Government receives the ordinary Federal income tax revenue whereas the implicit tax revenue is usually divided between the payer and the recipient of the tax-preferred income. The government entity issuing a tax-exempt bond

receives part of the implicit tax in the form of reduced rates on interest paid on those bonds. For other assets producing tax-preferred income, some of the implicit tax is received by the seller of the asset in the form of a higher price reflecting the capitalized value of some of the stream of tax benefits.

No attempts have been made in this Section to measure implicit taxes. Accordingly, taxes paid and tax rates have not been adjusted to reflect implicit taxes on tax preference income.

Adjusting Income for Implicit Tax

It should also be noted that compared with income from other sources, the gross income from tax-preferred sources is understated by the amount by which that income has been reduced by the portion of the above-mentioned "implicit tax" which benefits the recipient of the income. In theory, when measuring income, it would be appropriate to "gross up" the amount of tax-preferred income received by the portion of the implicit tax on that income which has actually benefitted the recipient of the income. Since no attempt has been made to measure implicit taxes for this Section, incomes have not been increased to reflect the value of implicit taxes.

Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the different types of items must be put on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit. This amount is called the "deduction equivalent" of the tax credit.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield tax before credits" and "taxable income which would yield tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax rate bracket.

The deduction equivalents of tax credits shown in the accompanying tables were computed by assuming that deductions and exclusions reduced taxes before tax credits. As a result, the deduction equivalent of tax credits is biased upwards.

Share of Income Subject to Tax

The total impact of various deductions, exclusions, tax credits, and special tax computations can be measured only if the aggregate value of all, or groups, of these items in reducing, or increasing, income taxes is put on a comparable basis. Two often-used measures of the value of deductions and exclusions are (1) the share of income that has been excluded from tax and (2) the share of income that remains subject to tax. The latter measure can also include the impact of tax credits and special tax computations if the deduction equivalent of these items is added to taxable income defined in the ordinary manner. Doing so yields what the tables accompanying this Section call "taxable income which would yield income tax before credits," "taxable income

which would yield income tax after credits," and "taxable income which would yield total income tax." These measures could be computed directly from taxable income and from the deduction equivalents of the appropriate items. However, these measures have been computed by using the tax rate schedules to calculate the amounts of taxable income that would have been necessary (when subject to tax under the appropriate, ordinary tax rate schedule) to yield the given amounts of tax.

Unaudited Data

Tax return data used in the Statistics of Income program have been tabulated as they have been reported on tax returns filed with the Internal Revenue Service. Certain, obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that may be made in the future as a result of IRS audits. While this is true of data throughout the entire SOI program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences were minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

Note to Appendix B

[B1] Certain amounts of income earned abroad are excluded from adjusted gross income by statute. Any foreign taxes paid on such income are not creditable against U.S. income taxes. The tables in this Section do not reflect either such excluded income or any foreign tax payments on it.

[B2] Beginning with 1987, the number of high-income returns whose non-taxability may be attributed to foreign tax credits has been reduced substantially. The reduction appears to be attributable to changes in the foreign tax credit provisions of the Alternative Minimum Tax.

Table 1—Returns With and Without Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	**109,708,280**	**95,780,115**	**11,424,561**	**1,778,258**	**725,345**
Size of expanded income					
Under $50,000	95,725,610	95,263,457	458,608	2,704	842
$50,000 under $100,000	11,457,821	510,391	10,835,955	110,250	1,225
$100,000 under $200,000	1,787,190	6,044	129,403	1,625,501	26,242
$200,000 or more	737,659	224	595	39,804	697,036
Returns With Total Income Tax					
Total	**89,233,017**	**75,316,843**	**11,415,548**	**1,776,104**	**724,523**
Size of expanded income					
Under $50,000	75,265,432	74,807,671	454,917	2,341	503
$50,000 under $100,000	11,445,512	504,345	10,830,636	109,379	1,151
$100,000 under $200,000	1,784,812	4,690	†	†	26,134
$200,000 or more	737,261	136	†	†	696,735
Returns Without Total Income Tax					
Total	**20,475,262**	**20,463,272**	**9,013**	**2,154**	**822**
Size of expanded income					
Under $50,000	20,460,178	20,455,785	3,691	363	339
$50,000 under $100,000	12,310	6,046	5,319	871	74
$100,000 under $200,000	2,377	1,354	†	†	108
$200,000 or more	397	87	†	†	301

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
[1] Returns with total income tax includes returns with income tax which is totally offset by the earned income credit.
NOTE: Detail may not add to total because of rounding.

Table 2—Returns With and Without Modified Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200 000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	**109,708,280**	**95,780,115**	**11,424,561**	**1,778,258**	**725,345**
Size of expanded income					
Under $50,000	95,725,610	95,263,457	458,608	2,704	842
$50,000 under $100,000	11,457,821	510,391	10,835,955	110,250	1,225
$100,000 under $200 000	1,787,190	6,044	129 403	1 625,501	26,242
$200,000 or more	737,659	224	595	39,804	697 036
Returns With Modified Total Income Tax					
Total	**89,256,268**	**75,339,307**	**11,415,778**	**1,776,569**	**724,614**
Size of expanded income					
Under $50,000	75,287,896	74 830,135	454 917	2,341	503
$50,000 under $100,000	11,445,742	504 345	10,830,867	109,379	1,151
$100,000 under $200,000	1,785,280	4,690	†	†	26,137
$200,000 or more	737,349	136	†	†	696,823
Returns Without Modified Total Income Tax					
Total	**20,452,012**	**20,440,808**	**8,783**	**1,690**	**731**
Size of expanded income					
Under $50,000	20,437,714	20,433,321	3,691	363	339
$50,000 under $100,000	12,079	6,046	5,088	871	74
$100,000 under $200,000	1,910	1,354	†	†	105
$200,000 or more	309	87	†	†	213

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
[1] Returns with modified total income tax includes returns with income tax which is totally offset by the earned income credit.
NOTE: Detail may not add to total because of rounding.

Table 3—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**725,345**	**100.0**	—	**737,659**	**100.0**	—
Returns without total income tax	822	0.1	—	397	0.1	—
Returns with total income tax						
Total	724,523	99.9	100.0	737,261	99.9	100.0
Ratio of taxable income to alternative income						
Under 5 percent	335	( )	( )	388	0.1	0.1
5 under 10 percent	461	0.1	0.1	341	( )	0.1
10 under 15 percent	1,820	0.3	0.4	2,241	0.3	0.4
15 under 20 percent	665	0.1	0.5	1,128	0.2	0.6
20 under 25 percent	873	0.1	0.6	1,787	0.2	0.8
25 under 30 percent	966	0.1	0.7	1,764	0.2	1.0
30 under 35 percent	1,310	0.2	0.9	2,951	0.4	1.4
35 under 40 percent	2,843	0.4	1.3	3,618	0.5	1.9
40 under 45 percent	2,717	0.4	1.7	6,518	0.9	2.8
45 under 50 percent	3,512	0.5	2.1	6,218	0.8	3.7
50 under 60 percent	12,230	1.7	3.8	20,123	2.7	6.4
60 under 70 percent	33,137	4.6	8.4	36,584	5.0	11.3
70 under 80 percent	107,405	14.8	23.2	107,019	14.5	25.9
80 percent or more	556,249	76.8	100.0	546,581	74.1	100.0

( ) Less than 0.05 percent
NOTE: Detail may not add to total because of rounding.

Table 4—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**725,345**	**100.0**	—	**737,659**	**100.0**	—
Returns without modified total income tax	731	0.1	—	309	( )	—
Returns with modified total income tax						
Total	724,614	99.9	100.0	737,349	100.0	100.0
Ratio of taxable income to alternative income						
Under 5 percent	280	( )	( )	354	( )	( )
5 under 10 percent	245	( )	0.1	113	( )	0.1
10 under 15 percent	664	0.1	0.2	1,068	0.1	0.2
15 under 20 percent	554	0.1	0.2	1,031	0.1	0.3
20 under 25 percent	713	0.1	0.3	1,414	0.2	0.5
25 under 30 percent	878	0.1	0.5	1,686	0.2	0.8
30 under 35 percent	977	0.1	0.6	2,591	0.4	1.1
35 under 40 percent	2,229	0.3	0.9	3,499	0.5	1.6
40 under 45 percent	2,834	0.4	1.3	6,388	0.9	2.5
45 under 50 percent	3,399	0.5	1.8	6,317	0.9	3.3
50 under 60 percent	11,306	1.6	3.3	19,390	2.6	5.9
60 under 70 percent	32,221	4.4	7.8	35,697	4.8	10.8
70 under 80 percent	106,413	14.7	22.5	105,899	14.4	25.2
80 percent or more	561,898	77.5	100.0	551,903	74.8	100.0

( ) Less than 0.05 percent
NOTE: Detail may not add to total because of rounding.

Table 5—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	597,022	168,646,939	596,540	168,567,626	482	79,314	592,525	166,379,050	592,301	166,324,272	223	54,778
Business or profession												
Net income	154,976	19,640,783	154,790	19,620,731	186	20,052	155,505	19,405,516	155,424	19,393,237	81	12,279
Net loss	52,890	1,693,558	52,715	1,664,689	175	28,868	53,090	1,663,781	53,037	1,653,053	53	10,727
Farm												
Net income	11,693	1,092,567	11,677	1,090,027	16	2,540	12,510	1,107,630	12,505	1,107,380	5	250
Net loss	26,616	1,364,131	26,546	1,348,188	70	15,944	26,979	1,401,272	26,945	1,385,301	34	15,971
Partnership and S Corporation net income after Section 179 property deduction												
Net income	271,888	62,719,799	271,760	62,670,345	128	49,454	273,098	62,777,902	273,036	62,732,754	62	45,148
Net loss	240,459	11,636,119	239,943	11,232,531	516	403,588	243,048	11,085,286	242,871	10,979,429	177	105,856
Sales of capital assets												
Net gain	432,050	96,712,825	431,532	96,387,259	518	325,566	446,809	96,980,079	446,626	96,909,362	183	70,717
Net loss	141,662	333,523	141,480	333,012	182	512	142,919	335,799	142,804	335,472	115	328
Sales of property other than capital assets												
Net gain	64,194	1,958,566	64,083	1,947,880	111	10,686	65,519	1,940,877	65,462	1,937,721	57	3,156
Net loss	68,295	521,396	68,171	516,814	124	4,582	68,624	519,705	68,594	518,365	30	1,340
Interest received	719,374	30,890,815	718,583	30,420,114	791	470,701	731,832	31,008,740	731,464	30,916,429	368	92,311
Tax-exempt interest	280,391	11,411,639	280,185	11,387,996	206	23,642	311,087	13,582,161	310,903	13,483,539	184	98,622
Dividends	581,781	24,327,810	581,174	24,247,604	607	80,206	597,937	25,051,078	597,637	25,014,624	300	36,454
Pensions and annuities in adjusted gross income	131,629	5,747,136	131,535	5,742,251	94	4,885	144,623	6,129,678	144,537	6,123,855	85	5,823
Rent												
Net income	139,279	5,068,654	139,118	5,055,902	161	12,752	148,233	5,261,639	148,148	5,252,914	85	8,725
Net loss (deductible and nondeductible)	182,947	3,593,037	182,663	3,560,806	284	32,231	174,435	3,097,839	174,365	3,094,197	70	3,643
Net loss (nondeductible)	120,069	1,412,052	119,900	1,401,332	169	10,720	110,163	1,101,966	110,125	1,101,083	38	883
Royalty												
Net income	62,652	1,313,156	62,518	1,308,279	134	4,877	65,876	1,387,065	65,838	1,385,164	38	1,900
Net loss	6,154	28,153	6,139	27,668	15	485	5,976	28,871	5,964	28,533	*12	*338
Estate or trust												
Net income	35,485	2,177,705	35,437	2,176,623	48	1,082	38,493	2,208,887	38,471	2,208,339	22	548
Net loss	10,663	146,732	10,644	144,248	19	2,484	11,107	141,013	11,101	140,949	6	64
State income tax refunds	364,832	2,310,900	364,567	2,305,045	265	5,855	369,600	2,316,181	369,493	2,313,982	107	2,199
Windfall profit tax refunds	717	1,633	†	†	†	†	950	1,643	†	†	†	†
Windfall profit tax withheld	2,263	1,656	2,252	1,654	11	2	2,270	1,652	2,265	1,650	5	1
Alimony received	1,979	70,928	†	†	†	†	1,978	70,914	†	†	†	†
Social security benefits in adjusted gross income	113,331	713,541	113,214	712,846	117	695	136,993	872,876	136,897	872,259	96	617
Social security benefits (nontaxable)	113,331	713,582	113,214	712,888	117	695	136,993	872,925	136,897	872,309	96	617
Unemployment compensation	3,805	10,192	3,802	10,185	3	7	3,886	10,539	†	†	†	†
Other income	158,938	7,755,066	158,743	7,732,541	195	22,525	160,989	7,711,090	160,854	7,693,774	135	17,317
Other loss	11,537	1,475,480	11,408	1,428,732	129	46,748	11,366	1,336,996	11,321	1,320,498	44	16,498
Total income	725,345	412,610,897	724,523	412,045,233	822	565,664	†	†	†	†	397	197,162
Total statutory adjustments	238,708	3,171,002	238,562	3,167,456	146	3,545	237,690	3,133,312	237,638	3,132,175	52	1,137
Employee business expense	26,759	142,585	26,752	142,501	7	84	25,449	134,327	25,446	134,254	3	72
Payments to an IRA	75,532	226,179	75,495	226,089	37	90	76,396	228,020	76,384	227,993	12	27
Payments to a Keogh plan	87,993	1,850,785	87,974	1,850,149	19	636	87,104	1,836,688	87,092	1,836,240	12	448
Expanded income	725,342	414,575,943	724,523	414,491,557	819	84,386	737,659	419,673,361	737,261	419,444,795	397	228,566
Investment interest per adjusted gross income concept	543,284	7,754,117	542,582	7,259,344	702	494,773	538,761	6,436,379	†	†	†	†
Investment interest per alternative income concept	543,284	7,754,117	542,582	7,259,344	702	494,773	541,025	6,486,195	540,833	6,416,190	192	70,005
Total tax preferences excluded from adjusted gross income	364,491	14,636,504	364,174	14,607,508	317	28,997	394,060	17,371,030	393,846	17,267,866	213	103,165
Total alternative minimum tax preference items (excluding tax exempt interest from private activity bonds)	166,558	2,773,677	166,407	2,770,104	151	3,573	173,983	3,004,921	173,921	3,001,903	62	3,018
Passive activity loss (Alternative minimum tax adjustment)	319,646	3,406,353	319,364	3,387,804	282	18,548	317,699	3,194,216	317,611	3,195,678	88	−1,462
Adjusted gross income	725,345	409,439,896	724,523	408,877,777	822	562,119	†	†	†	†	397	196,024

Footnote(s) at end of table

Table 5—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200 000 or more						Returns with expanded income $200 000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	724 153	4 178 304	723 331	4 173 690	822	4 614	736 462	4 164 095	736 064	4 162 145	397	1,950
Itemized deductions												
Total per adjusted gross income concept	705 352	52 513 275	704 570	51 825 257	782	688 018	714 759	51 026 172	†	†	†	†
Total per alternative income concept	705 352	52 513 275	704 570	51 825 257	782	688 018	714 748	45 197 831	714 471	45 084 554	277	113 278
Contributions deduction	683 872	10 247 594	683 178	10 194 245	694	53 349	693 650	10 488 642	693 424	10 460 513	226	28,130
Interest paid deduction												
Total per adjusted gross income concept	632 702	16 622 081	631 960	16 079 899	742	542,182	630 324	14 965 690	630 094	14 875 043	230	90 647
Total per alternative income concept	632 702	16 622 081	631 960	16 079 899	742	542 182	529 165	9 696 465	528 976	9 673 029	189	23,436
Total home mortgage interest	534 621	9 314 628	534 040	9 274 018	581	40 609	524 899	8 968 140	524 717	8 951 314	182	16 827
Medical and dental expense deduction	8 379	323 996	8 341	316 698	38	7 299	10 606	362 581	10 569	355 291	37	7 290
Net casualty or theft loss deduction	186	39 359	161	22 194	25	17 165	183	39 257	161	22 194	22	17 063
Taxes paid deduction	700 508	23 117 928	699 784	23 091 354	724	26 574	709 953	23 130 460	709 703	23 121 591	250	8 869
Net limited miscellaneous deductions	93 204	1 750 706	92 878	1 726 332	326	24 375	94 376	1 649 526	94 274	1 637 717	102	11 809
Non-limited miscellaneous deductions	16 468	265 438	16 392	248 466	76	16 972	16 729	265 811	16 672	248 906	57	16 904
Moving expenses deduction	15 483	146 172	15 475	146 069	8	103	13 540	124 206	13 536	124 147	4	59
Excess of exemptions and deductions over adjusted gross income	1 505	372 524	816	166 747	689	205 777	719	137 964	430	76 516	289	61 448
Taxable income	723 837	353 028 145	723 707	352 952 952	130	75 193	736 919	354 695 919	†	†	†	†
Tax at normal rates	723 834	100 366 371	723 707	100 342 160	127	24 211	†	†	†	†	105	23,967
Income tax before credits	723 838	100 767 040	723 711	100 742 833	127	24 207	736 919	101 232 993	736 814	101 209 030	105	23,963
Tax credits												
Total	147 793	1 024 997	147 666	1 000 790	127	24 207	153 034	1 023 868	152 929	999 905	105	23,963
Personal credits	35 397	19 484	†	†	†	†	34 330	18 711	†	†	†	†
Non-personal credits	114 458	1 005 514	114 331	981 308	127	24 206	120,764	1 005 157	120 659	981 195	105	23,962
Foreign tax credit	72 137	572 999	72 046	549 904	91	23,095	78 230	574 543	78 142	551 627	88	22,916
Business credit	33 082	242 375	33 052	242 256	30	119	33 219	240 036	33 208	239 969	11	67
Alternative minimum tax (Form 6251)	24 053	543 357	24 053	543 357	—	—	24 352	500 291	24 352	500 291	—	—
Total income tax												
Taxes paid to the U S	724 523	100 285 400	724 523	100 285 400	—	—	737 261	100 709 415	737 261	100 709 415	—	—
Foreign taxes paid				—	—	—	—	—	—	—	—	—
Taxable income which would yield												
Income tax before credits	723 838	357 988 958	723 711	357 913 394	127	75 564	736 919	359 685 570	736 814	359 610 963	105	74 607
Income tax after credits	723 688	354 440 678	723 688	354 440 678	—	—	736 793	356 139 760	736 793	356 139 760	—	—
Total income tax	724 523	356 326 938	724 523	356 326 938		—	737 261	357 855 139	737 261	357 855 139	—	—

* Estimate should be used with caution because [illegible] sample [illegible] which [illegible] based.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 6—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	597,022	168,646,939	596,603	168,585,957	419	60,982	592,525	166,379,050	592,361	166,342,051	163	36,999
Business or profession												
Net income	154,976	19,640,783	154,807	19,625,645	169	15,138	155,505	19,405,516	155,441	19,398,152	64	7,365
Net loss	52,890	1,693,558	52,724	1,667,929	166	25,628	53,090	1,663,781	53,045	1,656,293	45	7,488
Farm												
Net income	11,693	1,092,567	11,677	1,090,027	16	2,540	12,510	1,107,630	12,505	1,107,380	5	250
Net loss	26,616	1,364,131	†	†	†	†	26,979	1,401,272	†	†	†	†
Partnership and S Corporation net income after Section 179 property deduction												
Net income	271,888	62,719,799	271,778	62,709,627	110	10,172	273,098	62,777,902	273,052	62,771,976	46	5,925
Net loss	240,459	11,636,119	239,964	11,237,576	495	398,543	243,048	11,085,286	242,891	10,984,354	157	100,931
Sales of capital assets												
Net gain	432,050	96,712,825	431,555	96,398,289	495	314,536	446,809	96,980,079	446,649	96,920,392	160	59,687
Net loss	141,662	333,523	141,494	333,043	168	480	142,919	335,799	142,817	335,502	102	297
Sales of property other than capital assets												
Net gain	64,194	1,958,566	64,087	1,948,289	107	10,278	65,519	1,940,877	65,466	1,938,130	53	2,747
Net loss	68,295	521,396	68,174	516,888	121	4,508	68,624	519,705	68,597	518,439	27	1,266
Interest received	719,374	30,890,815	718,662	30,425,147	712	465,669	731,832	31,008,740	731,540	30,921,442	292	87,298
Tax-exempt interest	280,391	11,411,639	280,199	11,389,073	192	22,565	311,087	13,582,161	310,917	13,484,616	170	97,545
Dividends	581,781	24,327,810	581,229	24,252,239	552	75,571	597,937	25,051,078	597,690	25,019,130	247	31,949
Pensions and annuities in adjusted gross income	131,629	5,747,136	131,544	5,742,789	85	4,347	144,623	6,129,678	144,544	6,124,345	78	5,333
Rent												
Net income	139,279	5,068,654	139,128	5,056,042	151	12,612	148,233	5,261,639	148,158	5,253,055	75	8,584
Net loss (deductible and nondeductible)	182,947	3,593,037	182,676	3,561,007	271	32,030	174,435	3,097,839	174,377	3,094,362	58	3,477
Net loss (nondeductible)	120,069	1,412,052	119,907	1,401,426	162	10,627	110,163	1,101,966	110,131	1,101,141	32	825
Royalty												
Net income	62,652	1,313,156	62,523	1,309,716	129	3,441	65,876	1,387,065	65,843	1,386,601	33	464
Net loss	6,154	28,153	6,139	27,668	15	485	5,976	28,871	5,964	28,533	*12	*338
Estate or trust												
Net income	35,485	2,177,705	35,441	2,176,679	44	1,026	38,493	2,208,887	38,475	2,208,394	18	492
Net loss	10,663	146,732	10,644	144,248	19	2,484	11,107	141,013	11,101	140,949	6	64
State income tax refunds	364,832	2,310,900	364,578	2,305,149	254	5,752	369,600	2,316,181	369,504	2,314,085	96	2,095
Windfall profit tax refunds	717	1,633	†	†	†	†	950	1,643	†	†	†	†
Windfall profit tax withheld	2,263	1,656	†	†	†	†	2,270	1,652	†	†	†	†
Alimony received	1,979	70,928	†	†	†	†	1,978	70,914	†	†	†	†
Social security benefits in adjusted gross income	113,331	713,541	113,219	712,880	112	660	136,993	872,876	136,902	872,294	91	582
Social security benefits (nontaxable)	113,331	713,582	113,219	712,922	112	660	136,993	872,925	136,902	872,343	91	582
Unemployment compensation	3,805	10,192	†	†	†	†	3,886	10,539	†	†	†	†
Other income	158,938	7,755,066	158,752	7,732,775	186	22,290	160,989	7,711,090	160,863	7,694,008	126	17,082
Other loss	11,537	1,475,480	11,413	1,429,566	124	45,913	11,366	1,336,996	11,326	1,321,333	39	15,663
Total income	725,345	412,610,897	724,614	412,119,667	731	491,230	†	†	†	†	309	123,397
Total statutory adjustments	238,708	3,171,002	238,579	3,167,708	129	3,294	237,690	3,133,312	237,654	3,132,417	36	895
Employee business expense	26,759	142,585	26,752	142,501	7	84	25,449	134,327	25,446	134,254	3	72
Payments to an IRA	75,532	226,179	75,501	226,105	31	74	76,396	228,020	76,389	228,006	7	14
Payments to a Keogh plan	87,993	1,850,785	87,979	1,850,233	14	552	87,104	1,836,688	87,097	1,836,324	7	364
Expanded income	725,342	414,575,943	724,614	414,567,135	728	8,808	737,659	419,673,361	737,349	419,519,785	309	153,576
Investment interest per adjusted gross income concept	543,284	7,754,117	542,611	7,259,627	673	494,490	538,761	6,436,379	†	†	†	†
Investment interest per alternative income concept	543,284	7,754,117	542,611	7,259,627	673	494,490	541,025	6,486,195	540,859	6,416,443	166	69,751
Total tax preferences excluded from adjusted gross income	364,491	14,636,504	364,190	14,609,345	301	27,159	394,060	17,371,030	393,862	17,269,703	197	101,328
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	166,558	2,773,677	166,412	2,770,230	146	3,447	173,983	3,004,921	173,926	3,002,029	57	2,892
Passive activity loss (Alternative minimum tax adjustment)	319,646	3,406,353	319,376	3,386,528	270	19,824	317,699	3,194,216	317,623	3,194,402	76	−186
Adjusted gross income	725,345	409,439,896	724,614	408,951,959	731	487,937	†	†	†	†	309	122,502

Footnote(s) at end of table

Table 6—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	724 153	4 178 304	723,422	4 174 166	731	4 138	736,462	4 164 095	736 152	4 162 604	309	1,491
Itemized deductions												
Total per adjusted gross income concept	705,352	52,513,275	704,621	51 827,370	731	685 905	714 759	51 026 172	714 529	50,847 453	230	178 720
Total per alternative income concept	705,352	52,513,275	704 621	51,827,370	731	685 905	714 748	45 197 831	714 518	45,086,330	230	111,501
Contributions deduction	683 872	10 247,594	683,215	10,194 683	657	52,911	693 650	10 488 642	693 459	10 460 947	191	27 695
Interest paid deduction												
Total per adjusted gross income concept	632 702	16 622,081	632,005	16,080,775	697	541 305	630,324	14 965 690	630 136	14 875,869	188	89,821
Total per alternative income concept	632 702	16 622 081	632,005	16,080 775	697	541 305	529 165	9 696,465	529 009	9 673 648	156	22,817
Total home mortgage interest	534 621	9,314,628	534,074	9,274,650	547	39,977	524 899	8,968,140	524 748	8 951 914	151	16,226
Medical and dental expense deduction	8 379	323,996	8,341	316,698	38	7,299	10 606	362 581	10,569	355,291	37	7,290
Net casualty or theft loss deduction	186	39 359	161	22 194	25	17 165	183	39 257	161	22 194	22	17,063
Taxes paid deduction	700 508	23 117 928	699 826	23,091,867	682	26,061	709,953	23 130 460	709,743	23 122 102	210	8,357
Net limited miscellaneous deductions	93 204	1 750 706	92 886	1 726,516	318	24 191	94 376	1 649 526	94 282	1 637 901	94	11,625
Non limited miscellaneous deductions	16 468	265 438	16 399	248 508	69	16,930	16 729	265 811	16 679	248 948	50	16 862
Moving expenses deduction	15 483	146 172	15,478	146 128	5	44	13 540	124 206	†	†	†	†
Excess of exemptions and deductions over adjusted gross income	1 505	372 524	816	166,747	689	205 777	719	137 964	430	76,516	289	61 448
Taxable income	723 837	353 028,145	723 798	353 024 400	39	3,745	736 919	354 695,919	†	†	†	†
Tax at normal rates	723 834	100 366,371	723,798	100,365 370	36	1 002	†	†	†	†	17	936
Income tax before credits	723 838	100,767,040	723,802	100,766,038	36	1,002	736,919	101 232 993	736 902	101 232 057	17	936
Tax credits												
Total	84 203	451 998	84 167	450,996	36	1 002	83 819	449 324	83 802	448,388	17	936
Personal credits	35 397	19 484	†	†	†	†	34,330	18,711	34 330	18 711	—	—
Non personal credits	50,848	432 514	50 812	431 513	36	1 001	51 529	430 613	51 512	429 677	17	936
Foreign tax credit	—		—		—	—	—	—	—	—	—	—
Business credit	33 082	242 375	†	†	†	†	33 219	240 036	†	†	†	†
Alternative minimum tax (Form 6251)	24,053	543 357	24 053	543 357	—	—	24 352	500 291	24 352	500 291	—	—
Total income tax												
Taxes paid to the U S	724 614	100 858 399	724 614	100 858 399	—	—	737,349	101 283 959	737 349	101 283 959	—	—
Foreign taxes paid	72 137	572 999	72 137	572 999	—	—	78 230	574 543	78 230	574 543	—	—
Taxable income which would yield												
Income tax before credits	723 838	357 988 947	723 802	357 985,170	36	3 777	736,919	359 685 559	736 902	359 682,154	17	3 405
Income tax after credits	723 779	356 396,228	723 779	356 396 228	—	—	736 881	358 100 449	736 881	358 100 449	—	—
Total income tax	724 614	358 282,489	724 614	358 282 489	—	—	737,349	359 815 828	737 349	359 815,828	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals
NOTE Detail may not add to total because of rounding

Table 7—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect									
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Returns With Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**708,814**	**100.0**	**210,273**	**29.7**	**349,512**	**49.3**	**57,932**	**8.2**	**3,347**	**0.5**
Interest paid deduction	224,791	31.7	—	—	181,031	51.8	12,738	22.0	705	21.1
Taxes paid deduction	237,693	33.5	157,821	75.1	—	—	38,402	66.3	1,549	46.3
Contributions deduction	157,770	22.3	27,315	13.0	122,886	35.2	—	—	132	3.9
Medical and dental expense deduction	†	†	†	†	681	0.2	204	0.4	—	—
Net casualty or theft loss deduction	†	†	†	†	—	—	—	—	—	—
Total miscellaneous deduction	18,568	2.6	4,949	2.4	9,959	2.8	1,766	3.0	795	23.8
Foreign tax credit	2,978	0.4	375	0.2	2,016	0.6	279	0.5	—	—
Business credit	4,754	0.7	1,300	0.6	2,065	0.6	425	0.7	—	—
All other tax credits	4,690	0.7	1,457	0.7	1,755	0.5	255	0.4	—	—
Partnership and S Corporation net losses	48,938	6.9	16,352	7.8	26,798	7.7	3,729	6.4	167	5.0
No second largest item	6,965	1.0	266	0.1	2,321	0.7	134	0.2	—	—
Returns with expanded income $200,000 or more										
Total	**718,218**	**100.0**	**163,526**	**22.8**	**389,060**	**54.2**	**68,871**	**9.6**	**3,936**	**0.5**
Interest paid deduction	205,991	28.7	—	—	173,959	44.7	9,808	14.2	704	17.9
Taxes paid deduction	225,420	31.4	128,008	78.3	—	—	49,017	71.2	2,159	54.9
Contributions deduction	192,003	26.7	21,233	13.0	160,586	41.3	—	—	132	3.4
Medical and dental expense deduction	2,794	0.4	271	0.2	1,335	0.3	734	1.1	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	15,215	2.1	1,310	0.8	10,038	2.6	2,092	3.0	775	19.7
Foreign tax credit	3,700	0.5	102	0.1	2,681	0.7	309	0.4	—	—
Business credit	4,777	0.7	713	0.4	2,433	0.6	518	0.8	—	—
All other tax credits	5,816	0.8	1,336	0.8	2,166	0.6	290	0.4	—	—
Partnership and S Corporation net losses	50,637	7.1	10,521	6.4	32,028	8.2	5,569	8.1	167	4.2
No second largest item	11,864	1.7	33	( )	3,835	1.0	533	0.8	—	—
Returns Without Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**822**	**100.0**	**494**	**60.1**	†	†	**13**	**1.6**	**28**	**3.4**
Interest paid deduction	181	22.0	—	—	†	†	9	69.2	5	17.9
Taxes paid deduction	144	17.5	118	23.9	—	—	—	—	3	10.7
Contributions deduction	113	13.7	86	17.4	†	†	—	—	11	39.3
Medical and dental expense deduction	7	0.9	†	†	—	—	†	†	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	59	7.2	43	8.7	†	†	—	—	9	32.1
Foreign tax credit	3	0.4	—	—	—	—	†	†	—	—
Business credit	5	0.6	†	†	—	—	—	—	—	—
All other tax credits	5	0.6	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	252	30.7	237	48.0	†	†	†	†	—	—
No second largest item	53	6.4	4	0.8	—	—	—	—	—	—
Returns with expanded income $200,000 or more										
Total	**375**	**100.0**	**55**	**14.7**	**8**	**2.1**	**30**	**8.0**	**28**	**7.5**
Interest paid deduction	65	17.3	—	—	†	†	9	30.0	†	†
Taxes paid deduction	77	20.5	30	54.5	—	—	5	16.7	†	†
Contributions deduction	46	12.3	14	25.5	†	†	—	—	11	39.3
Medical and dental expense deduction	7	1.9	—	—	†	†	3	10.0	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	31	8.3	†	†	†	†	†	†	9	32.1
Foreign tax credit	†	†	—	—	—	—	†	†	—	—
Business credit	†	†	—	—	—	—	†	†	—	—
All other tax credits	5	1.3	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	26	6.9	5	9.1	—	—	8	26.7	—	—
No second largest item	112	29.9	†	†	—	—	—	—	—	—

Footnote(s) at end of table

Table 7—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—Continued											
	Net casualty or theft loss deduction		Total miscellaneous deduction		Foreign tax credit		Business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Returns With Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**134**	**( )**	**13,413**	**1.9**	**6,890**	**1.0**	**5,820**	**0.8**	**3,301**	**0.5**	**58,193**	**8.2**
Interest paid deduction	21	15.7	4,261	31.8	2,738	39.7	1,587	27.3	963	29.2	20,746	35.7
Taxes paid deduction	24	17.9	7,012	52.3	2,946	42.8	1,992	34.2	1,508	45.7	26,439	45.4
Contributions deduction	83	61.9	1,026	7.6	235	3.4	722	12.4	186	5.6	5,185	8.9
Medical and dental expense deduction	—	—	256	1.9	—	—	—	—	—	—	89	0.2
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	182	2.6	†	†	7	0.2	†	†
Foreign tax credit	—	—	19	0.1	—	—	†	†	—	—	†	†
Business credit	—	—	92	0.7	8	0.1	—	—	40	1.2	823	1.4
All other tax credits	—	—	19	0.1	6	0.1	107	1.8	—	—	1,090	1.9
Partnership and S Corporation net losses	5	3.7	728	5.4	235	3.4	657	11.3	269	8.1	—	—
No second largest item	—	—	—	—	541	7.9	677	11.6	327	9.9	2,699	4.6
Returns with expanded income $200,000 or more												
Total	**136**	**( )**	**8,671**	**1.2**	**7,956**	**1.1**	**6,245**	**0.9**	**3,851**	**0.5**	**65,967**	**9.2**
Interest paid deduction	21	15.4	1,299	15.0	2,333	29.3	1,067	17.1	554	14.4	16,246	24.6
Taxes paid deduction	26	19.1	4,227	48.7	3,084	38.8	2,462	39.4	2,092	54.3	34,345	52.1
Contributions deduction	83	61.0	1,779	20.5	231	2.9	865	13.9	223	5.8	6,872	10.4
Medical and dental expense deduction	—	—	256	3.0	—	—	—	—	—	—	198	0.3
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	125	1.6	†	†	†	†	859	1.3
Foreign tax credit	—	—	†	†	—	—	†	†	—	—	491	0.7
Business credit	—	—	—	—	†	†	—	—	†	†	1,066	1.6
All other tax credits	—	—	254	2.9	†	†	†	†	—	—	1,654	2.5
Partnership and S Corporation net losses	5	3.7	815	9.4	272	3.4	884	14.2	376	9.8	—	—
No second largest item	—	—	†	†	1,897	23.8	†	†	552	14.3	4,237	6.4
Returns Without Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**22**	**2.7**	**43**	**5.2**	**86**	**10.5**	**—**	**—**	**†**	**†**	**127**	**15.5**
Interest paid deduction	10	45.5	19	44.2	25	29.1	—	—	†	†	111	87.4
Taxes paid deduction	6	27.3	5	11.6	8	9.3	—	—	†	†	†	†
Contributions deduction	†	†	†	†	†	†	—	—	—	—	7	5.5
Medical and dental expense deduction	†	†	†	†	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	†	†	—	—	4	4.7	—	—	—	—	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	†	†
Business credit	—	—	†	†	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	†	†	—	—	—	—	4	3.1
Partnership and S Corporation net losses	†	†	†	†	9	10.5	—	—	†	†	—	—
No second largest item	—	—	12	27.9	37	43.0	—	—	—		—	—
Returns with expanded income $200,000 or more												
Total	**22**	**5.9**	**41**	**10.9**	**83**	**22.1**	**—**	**—**	**5**	**1.3**	**103**	**27.5**
Interest paid deduction	7	31.8	16	39.0	19	22.9	—	—	—		9	8.7
Taxes paid deduction	10	45.5	6	14.6	8	9.6	—	—	†	†	11	10.7
Contributions deduction	†	†	†	†	†	†	—	—		—	9	8.7
Medical and dental expense deduction	†	†	†	†	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—		—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	4	4.8	—		—	—	10	9.7
Foreign tax credit	—	—	—	—	—	—	—			—	†	†
Business credit	—	—	†	†	—	—	—	—	—	—	†	†
All other tax credits	—	—	—	—	†	†				—	†	†
Partnership and S Corporation net losses	†	†	†	†	8	9.6	—		†	†	—	—
No second largest item	—	—	†	†	40	48.2	—		—		57	55.3

— Less than 0.05 percent.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 8—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect: Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Returns With Modified Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**708,327**	**100.0**	**213,035**	**30.1**	**352,466**	**49.8**	**58,170**	**8.2**	**3,347**	**0.5**
Interest paid deduction	224,862	31.7	—	—	183,260	52.0	13,075	22.5	705	21.1
Taxes paid deduction	236,454	33.4	159,131	74.7	—	—	38,521	66.2	1,549	46.3
Contributions deduction	160,405	22.6	28,495	13.4	124,505	35.3	—	—	132	3.9
Medical and dental expense deduction	†	†	†	†	916	0.3	204	0.4	—	—
Net casualty or theft loss deduction	†	†	†	†	—	—	—	—	—	—
Total miscellaneous deduction	18,556	2.6	5,000	2.3	10,033	2.8	1,796	3.1	795	23.8
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	5,036	0.7	†	†	2,327	0.7	†	†	—	—
All other tax credits	4,748	0.7	1,462	0.7	1,788	0.5	255	0.4	—	—
Partnership and S Corporation net losses	49,243	7.0	16,434	7.7	27,250	7.7	3,735	6.4	167	5.0
No second largest item	7,120	1.0	774	0.4	2,388	0.7	†	†	—	—
Returns with expanded income $200,000 or more										
Total	**716,369**	**100.0**	**165,879**	**23.2**	**392,152**	**54.7**	**69,105**	**9.6**	**3,936**	**0.5**
Interest paid deduction	205,934	28.7	—	—	175,781	44.8	10,122	14.6	704	17.9
Taxes paid deduction	223,724	31.2	128,960	77.7	—	—	49,149	71.1	2,159	54.9
Contributions deduction	195,624	27.3	22,115	13.3	163,225	41.6	—	—	132	3.4
Medical and dental expense deduction	3,029	0.4	†	†	1,570	0.4	734	1.1	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	15,272	2.1	1,353	0.8	10,126	2.6	2,123	3.1	775	19.7
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	5,110	0.7	†	†	2,732	0.7	524	0.8	—	—
All other tax credits	5,894	0.8	1,341	0.8	2,199	0.6	290	0.4	—	—
Partnership and S Corporation net losses	50,941	7.1	10,587	6.4	32,531	8.3	5,576	8.1	167	4.2
No second largest item	10,841	1.5	†	†	3,989	1.0	588	0.9	—	—
Returns Without Modified Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**731**	**100.0**	**494**	**67.6**	†	†	†	†	**28**	**3.8**
Interest paid deduction	156	21.3	—	—	†	†	†	†	5	17.9
Taxes paid deduction	136	18.6	118	23.9	—	—	—	—	†	†
Contributions deduction	110	15.0	86	17.4	†	†	—	—	11	39.3
Medical and dental expense deduction	7	1.0	†	†	—	—	†	†	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	55	7.5	43	8.7	†	†	—	—	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	†	†	†	†	—	—	—	—	—	—
All other tax credits	†	†	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	243	33.2	237	48.0	†	†	†	†	—	—
No second largest item	16	2.2	4	0.8	—	—	—	—	—	—
Returns with expanded income $200,000 or more										
Total	**287**	**100.0**	**55**	**19.2**	**8**	**2.8**	†	†	**28**	**9.8**
Interest paid deduction	46	16.0	—	—	†	†	9	31.0	†	†
Taxes paid deduction	69	24.0	30	54.5	—	—	5	17.2	†	†
Contributions deduction	42	14.6	14	25.5	†	†	—	—	11	39.3
Medical and dental expense deduction	7	2.4	—	—	†	†	3	10.3	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	27	9.4	†	†	†	†	†	†	9	32.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	†	†	—	—	—	—	†	†	—	—
All other tax credits	†	†	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	18	6.3	5	9.1	—	—	8	27.6	—	—
No second largest item	72	25.1	†	†	—	—	—	—	—	—

Footnote(s) at end of table

Table 8—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—Continued											
	Net casualty or theft loss deduction		Total miscellaneous deduction		Foreign tax credit		Business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Returns With Modified Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**134**	**( )**	**13,599**	**1.9**	**—**	**—**	**5,828**	**0.8**	**3,308**	**0.5**	**58,441**	**8.3**
Interest paid deduction	†	†	4,316	31.7	—	—	1,593	27.3	†	†	20,927	35.8
Taxes paid deduction	24	17.9	7,134	52.5	—	—	2,030	34.8	1,508	45.6	26,557	45.4
Contributions deduction	83	61.9	1,051	7.7	—	—	†	†	†	†	5,229	8.9
Medical and dental expense deduction	—	—	256	1.9	—	—	—	—	—	—	89	0.2
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	—	—	†	†	†	†	925	1.6
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	—	—	†	†	—	—	—	—	†	†	849	1.5
All other tax credits	—	—	†	†	—	—	†	†	—	—	1,097	1.9
Partnership and S Corporation net losses	†	†	728	5.4	—	—	657	11.3	†	†	—	—
No second largest item	—	—	†	†	—	—	†	†	333	10.1	2,768	4.7
Returns with expanded income $200,000 or more												
Total	**136**	**( )**	**8,800**	**1.2**	**—**	**—**	**6,253**	**0.9**	**3,857**	**0.5**	**66,251**	**9.2**
Interest paid deduction	21	15.4	1,334	15.2	—	—	1,073	17.2	554	14.4	16,345	24.7
Taxes paid deduction	26	19.1	4,310	49.0	—	—	†	†	†	†	34,526	52.1
Contributions deduction	83	61.0	1,828	20.8	—	—	†	†	†	†	7,152	10.8
Medical and dental expense deduction	—	—	256	2.9	—	—	—	—	—	—	†	†
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	—	—	†	†	†	†	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	—	—	—	—	—	—	—	—	40	1.0	†	†
All other tax credits	—	—	254	2.9	—	—	†	†	—	—	†	†
Partnership and S Corporation net losses	5	3.7	815	9.3	—	—	884	14.1	376	9.7	—	—
No second largest item	—	—	3	( )	—	—	†	†	558	14.5	4,371	6.6
Returns Without Modified Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**22**	**3.0**	**43**	**5.9**	**—**	**—**	**—**	**—**	**†**	**†**	**123**	**16.8**
Interest paid deduction	10	45.5	19	44.2	—	—	—	—	†	†	111	90.2
Taxes paid deduction	6	27.3	5	11.6	—	—	—	—	†	†	†	†
Contributions deduction	†	†	†	†	—	—	—	—	—	—	†	†
Medical and dental expense deduction	†	†	†	†	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	†	†	—	—	—	—	—	—	—	—	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	—	—	†	†	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	†	†
Partnership and S Corporation net losses	†	†	†	†	—	—	—	—	†	†	—	—
No second largest item	—	—	12	27.9	—	—	—	—	—	—	—	—
Returns with expanded income $200,000 or more												
Total	**22**	**7.7**	**41**	**14.3**	**—**	**—**	**—**	**—**	**†**	**†**	**99**	**34.5**
Interest paid deduction	7	31.8	16	39.0	—	—	—	—	—	—	9	9.1
Taxes paid deduction	10	45.5	6	14.6	—	—	—	—	†	†	11	11.1
Contributions deduction	†	†	†	†	—	—	—	—	—	—	†	†
Medical and dental expense deduction	†	†	†	†	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	—	—	—	—	—	—	10	10.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	—	—	†	†	—	—	—	—	—	—	†	†
All other tax credits	—	—	—	—	—	—	—	—	—	—	†	†
Partnership and S Corporation net losses	†	†	†	†	—	—	—	—	†	†	—	—
No second largest item	—	—	†	†	—	—	—	—	—	—	57	57.6

( ) Less than 0.05 percent

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals

NOTE: Detail may not add to total because of rounding

Table 9—Returns Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	822	40	36	12	4	—	4	†	†	91	631
Interest paid deduction											
Total	822	80	87	17	8	11	11	11	20	232	345
Investment interest per income concept	822	120	114	19	14	19	16	25	32	221	242
Taxes paid deduction	822	98	560	96	31	20	6	4	—	3	4
Contributions deduction	822	128	479	51	40	34	48	42	—	—	—
Medical and dental expense deduction	822	784	5	†	†	†	†	6	†	11	9
Net casualty or theft loss deduction	822	797	†	†	†	—	—	—	†	†	14
Net limited miscellaneous deduction	822	496	227	44	20	15	4	5	†	†	5
Non-limited miscellaneous deduction	822	746	33	†	†	—	—	—	—	21	13
Deduction equivalent of											
Total credits	822	695	22	4	†	†	3	†	—	89	3
Foreign tax credit	822	731	†	—	†	—	†	†	—	83	3
Business credit	822	792	25	†	—	†	—	—	—	—	—
Tax preferences excluded from adjusted gross income	822	505	218	25	25	5	†	†	8	10	21

Type of deduction or credit	Returns with expanded income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	397	122	41	16	12	7	6	4	3	48	138
Interest paid deduction											
Total	397	208	91	18	8	7	4	9	3	27	22
Investment interest per income concept	397	208	108	8	7	6	8	3	10	7	32
Taxes paid deduction	397	148	181	46	7	6	—	†	—	†	4
Contributions deduction	397	173	133	22	17	14	10	9	3	5	11
Medical and dental expense deduction	397	360	†	3	5	†	†	4	5	9	5
Net casualty or theft loss deduction	397	375	—	—	—	—	—	—	†	†	17
Net limited miscellaneous deduction	397	296	67	10	9	†	†	†	†	†	7
Non-limited miscellaneous deduction	397	340	16	—	†	†	†	—	—	21	13
Deduction equivalent of											
Total credits	397	292	6	†	3	†	†	4	†	84	3
Foreign tax credit	397	309	†	—	†	—	—	†	†	79	3
Business credit	397	386	8	†	—	†	—	—	—	—	—
Tax preferences excluded from adjusted gross income	397	184	56	11	6	4	8	6	5	24	93

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 10—Returns Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	731	—	†	3	†	—	†	†	†	89	631
Interest paid deduction											
Total	731	34	49	12	7	10	11	11	20	232	345
Investment interest per income concept	731	58	88	16	14	19	16	25	32	221	242
Taxes paid deduction	731	49	521	94	30	20	6	4	—	3	4
Contributions deduction	731	74	444	51	40	34	46	42	—	—	—
Medical and dental expense deduction	731	693	5	†	†	†	†	6	†	11	9
Net casualty or theft loss deduction	731	706	†	†	†	—	—	—	†	†	14
Net limited miscellaneous deduction	731	413	221	42	20	15	4	5	†	†	5
Non-limited miscellaneous deduction	731	662	26	†	†	—	—	—	—	21	13
Deduction equivalent of											
Total credits	731	695	21	4	†	†	†	†	—	5	—
Foreign tax credit	731	731	—	—	—	—	—	—	—	—	—
Business credit	731	702	24	†	—	†	—	—	—	—	—
Tax preferences excluded from adjusted gross income	731	430	208	23	23	5	†	†	8	9	20

Type of deduction or credit	Returns with expanded income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	309	79	8	10	10	6	5	†	†	47	138
Interest paid deduction											
Total	309	153	63	16	6	6	4	9	3	27	22
Investment interest per income concept	309	143	86	7	7	6	8	3	10	7	32
Taxes paid deduction	309	99	144	45	6	6	—	†	—	†	4
Contributions deduction	309	118	103	21	17	14	9	8	3	5	11
Medical and dental expense deduction	309	272	†	3	5	†	†	4	5	9	5
Net casualty or theft loss deduction	309	287	—	—	—	—	—	—	†	†	17
Net limited miscellaneous deduction	309	215	62	8	9	†	†	†	†	†	7
Non-limited miscellaneous deduction	309	259	9	—	†	†	†	—	—	21	13
Deduction equivalent of											
Total credits	309	292	5	†	†	†	†	†	—	5	—
Foreign tax credit	309	309	—	—	—	—	—	—	—	—	—
Business credit	309	299	7	†	—	†	—	—	—	—	—
Tax preferences excluded from adjusted gross income	309	112	46	7	6	4	7	6	4	24	93

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 11—Returns With and Without Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**109,708,280**	**100.0**	**95,780,115**	**100.0**	**11,424,561**	**100.0**	**1,778,258**	**100.0**	**725,345**	**100.0**
Returns without total income tax	20,475,262	18 7	20,463,272	21 4	9,013	0 1	2,154	0 1	822	0 1
Returns with total income tax	89,233,017	81 3	75,316,843	78 6	11,415,548	99 9	1,776,104	99 9	724,523	99 9
Effective tax rate										
Under 5 percent	16,276,727	14 8	16,184,287	16 9	78,356	0 7	10,624	0 6	3,460	0 5
5 under 10 percent	35,874,431	32 7	34,682,842	36 2	1,161,902	10 2	25,472	1 4	4,216	0 6
10 under 15 percent	26,065,506	23 8	20,780,062	21 7	5,093,414	44 6	180,044	10 1	11,987	1 7
15 under 20 percent	8,419,846	7 7	3,405,882	3 6	4,353,122	38 1	614,924	34 6	45,918	6 3
20 under 25 percent	1,935,890	1 8	163,773	0 2	664,912	5 8	764,240	43 0	342,966	47 3
25 under 30 percent	589,422	0 5	55,142	0 1	51,575	0 5	175,149	9 8	307,556	42 4
30 under 35 percent	16,652	( )	7,690	( )	3,346	( )	1,059	0 1	4,557	0 6
35 under 40 percent	7,535	( )	3,187	( )	1,590	( )	1,304	0 1	1,454	0 2
40 under 45 percent	1,479	( )	302	( )	116	( )	304	( )	756	0 1
45 under 50 percent	5,263	( )	2,668	( )	1,537	( )	742	( )	316	( )
50 under 60 percent	8,111	( )	4,357	( )	2,400	( )	985	0 1	369	0 1
60 under 70 percent	1,532	( )	113	( )	1,282	( )	94	( )	43	( )
70 under 80 percent	5,015	( )	2,953	( )	1,218	( )	598	( )	246	( )
80 percent or more	25,608	( )	23,585	( )	777	( )	566	( )	679	0 1

Effective Tax Rate	Size of expanded income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**109,708,280**	**100.0**	**95,725,610**	**100.0**	**11,457,821**	**100.0**	**1,787,190**	**100.0**	**737,659**	**100.0**
Returns without total income tax	20,475,262	18 7	20,460,178	21 4	12,310	0 1	2,377	0 1	397	0 1
Returns with total income tax	89,233,017	81 3	75,265,432	78 6	11,445,512	99 9	1,784,812	99 9	737,261	99 9
Effective tax rate										
Under 5 percent	17,441,920	15 9	17,316,877	18 1	103,585	0 9	17,266	1 0	4,192	0 6
5 under 10 percent	35,214,967	32 1	34,061,978	35 6	1,098,316	9 6	46,178	2 6	8,495	1 2
10 under 15 percent	25,501,067	23 2	20,234,284	21 1	5,087,270	44 4	160,400	9 0	19,114	2 6
15 under 20 percent	8,522,474	7 8	3,375,833	3 5	4,479,050	39 1	607,799	34 0	59,792	8 1
20 under 25 percent	1,932,446	1 8	178,575	0 2	622,743	5 4	788,864	44 1	342,263	46 4
25 under 30 percent	546,028	0.5	52,029	0 1	42,620	0 4	156,259	8 7	295,119	40 0
30 under 35 percent	20,670	( )	8,105	( )	4,648	( )	2,948	0 2	4,970	0 7
35 under 40 percent	6,631	( )	3,378	( )	615	( )	1,257	0 1	1,381	0 2
40 under 45 percent	6,265	( )	1,104	( )	3,598	( )	931	0 1	632	0 1
45 under 50 percent	9,843	( )	7,710	( )	1,287	( )	630	( )	216	( )
50 under 60 percent	4,768	( )	3,636	( )	21	( )	729	( )	382	0 1
60 under 70 percent	666	( )	†	†	†	†	446	( )	210	( )
70 under 80 percent	1 802	( )	†	†	†	†	312	( )	153	( )
80 percent or more	23,471	( )	21,915	( )	422	( )	793	( )	341	( )

( ) Less than 0 05 percent

[1] Returns with total income tax includes returns with income tax which is totally offset by the earned income credit

NOTE Detail may not add to total because of rounding

Table 12—Returns With and Without Modified Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**109,708,280**	**100.0**	**95,780,115**	**100.0**	**11,424,561**	**100.0**	**1,778,258**	**100.0**	**725,345**	**100.0**
Returns without modified total income tax	20 452 012	18 6	20,440,808	21 3	8 783	0 1	1 690	0 1	731	0 1
Returns with modified total income tax	89 256 268	81 4	75,339,307	78 7	11 415,778	99 9	1 776 569	99 9	724 614	99 9
Effective tax rate										
Under 5 percent	16 251 857	14 8	16,167 650	16 9	74 892	0 7	7 366	0 4	1 949	0 3
5 under 10 percent	35 860 932	32 7	34 677,129	36 2	1 156,569	10 1	23 866	1 3	3,367	0 5
10 under 15 percent	26 089 633	23 8	20,817,188	21 7	5,084,812	44 5	176 548	9 9	11,085	1 5
15 under 20 percent	8 439 773	7 7	3,413,340	3 6	4 368 669	38 2	613 510	34 5	44,254	6 1
20 under 25 percent	1 945,447	1 8	164 003	0 2	666,299	5 8	771 224	43 4	343 922	47 4
25 under 30 percent	597,028	0 5	55,142	0 1	52,270	0 5	178 402	10 0	311 214	42 9
30 under 35 percent	16 966	( )	7 690	( )	3,346	( )	1 059	0 1	4 871	0 7
35 under 40 percent	7 612	( )	3,187	( )	1,590	( )	1 304	0 1	1 531	0 2
40 under 45 percent	1 482	( )	302	( )	116	( )	304	( )	760	0 1
45 under 50 percent	5,271	( )	2,668	( )	1 537	( )	742	( )	325	( )
50 under 60 percent	8 111	( )	4,357	( )	2,400	( )	985	0 1	369	0 1
60 under 70 percent	1 532	( )	113	( )	1,282	( )	94	( )	43	( )
70 under 80 percent	5 015	( )	2,953	( )	1,218	( )	598	( )	246	( )
80 percent or more	25 608	( )	23 585	( )	777	( )	566	( )	679	0 1

Effective Tax Rate	Size of expanded income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**109,708,280**	**100.0**	**95,725,610**	**100.0**	**11,457,821**	**100.0**	**1,787,190**	**100.0**	**737,659**	**100.0**
Returns without modified total income tax	20 452 012	18 6	20 437,714	21 4	12,079	0 1	1 910	0 1	309	( )
Returns with modified total income tax	89 256,268	81 4	75,287 896	78 6	11 445,742	99 9	1 785,280	99 9	737 349	100 0
Effective tax rate										
Under 5 percent	17 424 161	15 9	17,307 342	18 1	99 664	0 9	14 470	0 8	2 685	0 4
5 under 10 percent	35 193,014	32 1	34 052,011	35 6	1 089 027	9 5	44 573	2 5	7 403	1 0
10 under 15 percent	25,527 223	23 3	20,268,332	21 2	5,082,154	44 4	157 835	8 8	18,902	2 6
15 under 20 percent	8 543,490	7 8	3,383,521	3 5	4 495,293	39 2	606 637	33 9	58,039	7 9
20 under 25 percent	1 939 687	1 8	178 806	0 2	624 359	5 4	794 207	44 4	342 315	46 4
25 under 30 percent	553 454	0 5	52 029	0 1	43,081	0 4	159 045	8 9	299 299	40 6
30 under 35 percent	21 686	( )	8 105	( )	4 883	( )	3 415	0 2	5 283	0 7
35 under 40 percent	6 727	( )	3,378	( )	615	( )	1 257	0 1	1 477	0 2
40 under 45 percent	6 267	( )	1 104	( )	3,598	( )	931	0 1	635	0 1
45 under 50 percent	9 851	( )	7 710	( )	1,287	( )	630	( )	225	( )
50 under 60 percent	4 768	( )	3 636	( )	21	( )	729	( )	382	0 1
60 under 70 percent	666	( )	†	†	†	†	446	( )	210	( )
70 under 80 percent	1 802	( )	†	†	†	†	312	( )	153	( )
80 percent or more	23 471	( )	21 915	( )	422	( )	793	( )	341	( )

( ) Less than 0 05 percent

† Returns with modified total income tax includes returns with income tax which is totally offset by the earned income credit

NOTE Detail may not add to total because of rounding

Section 5 Explanation of Terms

The explanation of terms is designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or related regulations, procedures, or policies.

The definitions and explanations in this section relate to column or stub titles used in one or more tables in this report. They provide background or limitations to such titles and are necessary to interpret the statistical tables to which they relate. For each of these titles, the line number of the tax form on which it is reported appears after the title. **Definitions marked with the symbol # have been revised for 1988 to reflect changes in the law.**

The terms used in Section 4 differ substantially from those applicable to the remainder of the report and are defined separately in that section. Section 6, *1988 Forms and Instructions*, provides further information about many of the items in this report.

Adjusted Gross Income Less Deficit #
(line 31, Form 1040)

Income that had to be reported for the calculation of total income (line 23, Form 1040) and of adjusted gross income included the following:

- Compensation for services, including wages, salaries, fees, commissions, tips, fringe benefits, and similar items;
- Net income derived from a business, profession, or farm;
- Net gains from the sale of property;
- Interest, rents, and royalties;
- Dividends and capital gains distributions;
- Alimony and separate maintenance payments;
- Annuities, pensions, and individual retirement arrangement (IRA) distributions;
- Distributive share of partnership income;
- Income from an estate or trust;
- Bartering income;
- Amounts received that were claimed as a deduction or credit in a prior year;
- Gambling winnings;
- Prizes and awards;
- Some social security payments; and
- All unemployment compensation.

Some reported income is fully or partially excluded from "Total Income" (line 23, Form 1040). Following is a list of such items:

- Exclusion of the cost basis of pension, annuity, or IRA payments or distributions;
- Tax-exempt interest;
- Limited exclusion of social security benefits and railroad retirement benefits;
- Limited exclusion of qualified foreign earned income; and

- One-time exclusion of part or all of the gain from sale of principal residence by individuals who are 55 years of age or older.

From Total Income (line 23 on Form 1040) the following statutory adjustments (lines 24 through 29 on Form 1040) are subtracted to arrive at Adjusted Gross Income (line 31); a Deficit occurs if the allowable exclusions and deductions exceed gross income:

- Reimbursed employee business expenses that were included in reported income;
- Contributions to self-employed retirement plans (Keogh or simplified employee pension (SEP)) and to individual retirement arrangements (IRAs) by eligible persons;
- Forfeited interest penalties incurred by persons who made premature withdrawals of funds from time savings accounts;
- Alimony payments;
- Self-employed health insurance deduction;
- Forestation or reforestation expenses;
- Foreign housing exclusion;
- Repayments of supplemental unemployment compensation; and
- Certain expenses of qualified performing artists.

Adjustments

See "Statutory Adjustments."

Advance Earned Income Credit Payments
(included in the total on line 53, Form 1040)

Taxpayers who believed they would be eligible for the earned income credit at the end of the year could receive the credit from their employers as an additional payment in their paychecks during the year. Those payments were then shown on the tax return (line 53 total on Form 1040) where they became either an increase to the balance due or a reduction of the overpayment. (See also "All Other Taxes.")

Alimony
(lines 11, 29, Form 1040)

Payments received as alimony or separate maintenance were income to the person receiving them and a deduction (an adjustment to gross income) for the person paying them.

All Other Taxes
(lines 48, 50, 51, 52, Form 1040)

For the statistics, this amount represents the sum of the self-employment tax, tax from the recapture of the investment credit and the low income housing credit, social security taxes on tip income, any penalty taxes on individual retirement arrangements (IRA's) or other qualified retirement plans, and other unspecified taxes which included uncollected tax on tips, excess "golden parachute" payments, and section 72 penalty taxes. This was in contrast to the "other taxes" portion of the Form 1040 itself, which was composed of the taxes listed above plus the alternative minimum tax and the advance earned income credit payments received. Alternative minimum tax is tabulated in this report as part of "total income tax" and is one of the criteria for determining the taxable or nontaxable classification of a return. Advance earned income credit payments are shown as a separate item in computing total tax liability, balance due, or refund. (See also "Taxable and Nontaxable Returns" and "Total Income Tax".)

All Other Taxpayments
(lines 57-60, Form 1040)

"All other taxpayments" included the tax paid with requests for a filing extension, excess social security or railroad retirement taxes, credit for tax on gasoline and special fuels, and the credit for tax paid on undistributed capital gains by a regulated investment company.

Alternative Minimum Tax
(line 49, Form 1040)

The alternative minimum tax was levied on benefits received in the form of deductions and exclusions which reduced an individual's regular effective tax rate. These benefits are known as "alternative minimum tax preferences and adjustments" because they result from the preferential treatment that the tax law gives to particular income and expense items.

Alternative minimum taxable income (line 8, Form 6251) was defined as taxable income with certain adjustments plus the amount of tax preference items. Alternative minimum taxable income was then reduced by an exemption amount determined by filing status and income. If the return was filed jointly by a married couple or a surviving spouse, the maximum amount was $40,000. The maximum amount for single or head of household taxpayers was $30,000, and for married couples filing separately, $20,000.

If there was an amount remaining after subtracting the exemption, it was multiplied by the alternative minimum tax rate of 21 percent and then reduced by the recalculated alternative minimum tax foreign tax credit. This amount was then reduced by the regular income tax before credits (line 38, Form 1040) minus the regular foreign tax credit, line 43, Form 1040) to arrive at the alternative minimum tax.

Business or Profession Net Income or Loss
(line 12, Form 1040)

This source of income was reported by individuals who were sole proprietors of a nonfarm business, including self-employed members of a profession.

If two or more sole proprietorships were operated by the same taxpayer(s), the single amount of net income or loss included in adjusted gross income represented the combined net income and loss from all sole proprietorships. The proprietor was required to exclude investment income from business profits and to include it, instead, with the various types of investment income for which separate provision was made on the individual income tax return.

Business costs and expenses were deductible from gross receipts or gross sales in arriving at net profit or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net income. The deduction of net operating losses from other years was not considered a business expense, but was offset, instead, against "other income" on the proprietor's income tax return.

Information on sole proprietorships, business receipts, and expenditures can be found in the annual summer issue of the *Statistics of Income Bulletin.*

Capital Assets

See "Sales of Capital Assets Net Gain or Loss."

Capital Gain Distributions Reported on Form 1040 (line 14, Form 1040)

These distributions included long-term capital gains either credited or distributed to individual taxpayers by regulated investment companies, mutual funds, and real estate investment trusts. Usually, taxpayers reported capital gains distributions on Schedule D (Capital Gains and Losses), but they could enter the distributions directly on line 14 of Form 1040 if they had no other gains or losses to report on Schedule D.

Capital Gains and Losses

See "Sales of Capital Assets Net Gain or Loss."

Casualty and Theft Loss, Nonbusiness
(line 18, Schedule A)

Nonbusiness casualty and theft losses were deductible from adjusted gross income to the extent that the nonreimbursable net loss for each such casualty or theft exceeded $100, and the combined amount for all net losses during the year exceeded 10 percent of adjusted gross income. Beginning with 1987 a deduction for a casualty or theft loss covered by insurance could not be claimed unless a timely insurance claim for reimbursement was made.

Child Care Credit
(line 41, Form 1040)

This credit could be claimed by taxpayers who, while employed, incurred expenses for the care of dependent children under age 15 or disabled dependents. Qualifying expenses included those for services performed within the home by nondependent babysitters, maids, or cooks. Expenditures paid for the care of children under the age of 15 or any other qualified individuals for out-of-home non-institutional care qualified for the child care credit.

The maximum amount of employment-related expenses to which the credit could be applied was the lesser of earned income or $2,400 if one qualifying child or dependent was involved and the lesser of earned income or $4,800 if more than one dependent was involved. The credit was equal to 30 percent of expenses related to employment for taxpayers with adjusted gross income of $10,000 or less. The credit was reduced by one percentage point for each $2,000 increment of adjusted gross income in excess of $10,000 up to $28,000. The credit remained at 20 percent of expenses for individuals with adjusted gross income of $28,000 or more.

The amount of the credit which could be claimed was limited to income tax before credits, and any excess was not refundable.

Contributions Deduction
(line 17, Schedule A)

Taxpayers could deduct contributions to organizations that were religious, charitable, educational, scientific, or literary in purpose. Contributions could be in cash, property, or out-of-pocket expenses that a taxpayer paid to do volunteer work for a qualified organization. Contributions were allowed only as an itemized deduction on Schedule A.

Credit for Federal Tax on Gasoline and Special Fuels (line 59, Form 1040)

This was a credit (claimed on Form 4136) allowed for Federal excise taxes paid on gasoline and special fuels, such as gasohol and diesel fuel, if they were used in a trade or business. The excise taxes could be applied as a credit to reduce unpaid total tax liability or they could be refunded. A one-time credit (or refund) was allowed to the original purchaser of a new, qualified diesel-powered highway vehicle after January 1, 1985.

Credit for the Elderly and Disabled (line 42, Form 1040)

A credit (claimed on Schedule R) for the elderly and permanently and totally disabled was available to taxpayers age 65 or older (within certain income limitations) and to those taxpayers under age 65, retired with a permanent and total disability who had received taxable income from a public or private employer because of that disability. An individual was considered permanently and totally disabled if he or she was medically determined to be "unable to engage in any substantial gainful activity because of a physical or mental impairment which could result in death or last 12 continuous months or more."

Generally, if a taxpayer's income was high enough to require the reporting of social security

benefits as taxable income, the taxpayer could not take the credit. The maximum credit available was $1,125 and was limited to total income tax with any excess not refundable.

Credit from Regulated Investment Companies
(line 60, Form 1040)

Taxpayers were required to include in gross income any amounts which were allocated to them as undistributed capital gains of regulated investment companies. If investment companies paid tax on the capital gain, taxpayers were entitled to claim a refundable credit for their proportionate share of the tax paid.

Credit to 1989 Estimated Tax
(line 64, Form 1040)

This credit was the part of the overpayment of 1988 tax which taxpayers specifically requested to be credited to their estimated tax for 1989. (See also "Overpayment" and "Estimated Tax Payments.")

Dividends
(line 9, Form 1040)

Dividend income consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either received directly or passed through estates, trusts, or partnerships. Dividends also included distributions from money market mutual funds.

Dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gain, or liquidation distributions. Taxpayers were also instructed to exclude so-called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were to be treated as interest income.

Earned Income Credit #
(line 56, Form 1040)

This was a credit available to low-income workers who had a child living with them for more than half the year and had earned income with both earned income and adjusted gross income less than $18,576. The credit was based on earned income, consisting of wages, salaries, and other employee compensation, plus net earnings from self- employment. Taxpayers could not take the credit if their filing status was single or married filing separately, or they claimed the foreign income exclusion.

The maximum credit for 1988 was $874, and the amount not used to offset income tax liability could be refunded. For this report, the earned income credit was divided into three parts: the amount used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); the amount used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion. (See also "Advance Earned Income Credit Payments.")

Employee Business Expenses
(line 24, Form 1040 for reimbursed expenses)
(line 20, Schedule A for unreimbursed expenses)

Beginning with 1987, only reimbursed business expenses that were included in income could be deducted by an employee as an "adjustment" to adjusted gross income. Unreimbursed employee business expenses were allowed only as a "miscellaneous itemized deduction" on Schedule A, limited, along with other miscellaneous itemized deductions, to the amount that exceeded 2 percent of adjusted gross income. Employee business expenses included the cost of transportation, meals, lodging, and entertainment while away from home in the performance of services as an employee. Only 80 percent of business-related meal and entertainment expenses were eligible for deduction.

If employees accounted for deductible expenses to their employers, they were not required to report the reimbursement in income unless the amount of reimbursement exceeded expenses.

Estate or Trust Net Income or Loss
(line 37, Schedule E, Part III)

This was the beneficiary's share of fiduciary income (with the exception of the items described below which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed, amounts credited to beneficiaries' accounts from current-year fiduciary income (whether or not actually received), and any other amounts which were properly paid, credited, or required to be distributed for that year.

Taxpayers excluded from estate or trust income their share of dividends and gains or losses from sales of capital assets and other property. Such income (which made up the largest portion of income from estates or trusts) was included on the tax return on the separate lines provided for these income types and was not separately identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust and was limited by the "passive loss" rules.

For the tables, if a return showed net income from one estate or trust, and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and losses reported from all estates or trusts, i.e., the net amount computed on a return-by-return basis.

Estimated Tax Payments
(line 55, Form 1040)

This figure represented the total of the tax payments made for 1988 using Form 1040ES and any overpayment from the taxpayer's 1987 return that was applied to 1988 estimated tax. Individuals were required to make estimated tax payments if their estimated tax for the year exceeded $500, or exceeded their withholding by $500.

Excess Social Security Taxes Withheld
(line 58, Form 1040)

If taxpayers received more than $45,000 ($33,600 for railroad employees) from two or more employers in 1988, too much social security (FICA) or Railroad Retirement Act (RRTA) tax may have been withheld from their wages. The excess social security tax withheld could be taken as a credit toward payment of the taxpayer's income tax. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions #
(lines 6, 36, Form 1040)

In the computation of taxable income, a $1,950 deduction was allowed for each exemption claimed. In general, an exemption was allowed for each of the taxpayers and dependents shown on a return. Dependents filing a separate return who could be claimed as a dependent by another taxpayer were not allowed to claim their own exemption.

In general, an individual qualified as a dependent if that person:

- had gross income less than $1,950 (this did not apply if the person was the taxpayer's child and was either under 19 years old or a full-time student);
- received more than half of his or her support from the taxpayer;
- was either related to the taxpayer (such as a son, daughter, or parent) or a member of the same household for the whole year;

- did not file a joint return with his or her spouse; and
- met certain citizenship requirements.

Farm Net Income or Loss
(line 19, Form 1040)

This source of income was reported by individuals who were sole proprietors of a farm. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all farming activities. Farm business costs and expenses were deductible from farm gross business receipts in arriving at farm net profit or loss.

Gains from certain sales of livestock and crops that qualified for capital gains treatment were excluded from farm net profit or loss and included in capital gains. Farm rental income was included in rent net income or loss. (See also "Farm Rental Income or Loss.")

Farm Rental Income or Loss
(line 28, Schedule E)

Taxpayers were required to report farm rental income and expenses separately from other farm profit or loss if they:

- received income that was based on crops or livestock produced by the tenant, and
- did not manage or operate the farm to any great extent.

Filing Status

See "Marital Filing Status."

Foreign Earned Income Exclusion
(line 22, Form 1040)

Qualified taxpayers could exclude from gross income a certain amount of their foreign earned income and employer-provided foreign housing expenses if their home for tax purposes was in a foreign country.

Qualified individuals were limited to the lesser of a $70,000 exclusion or their total foreign earned income. Also, they could elect to exclude a portion of employer-provided foreign housing expenses. If the taxpayer elected to take both the foreign earned income and foreign housing exclusions, the total amount of both exclusions was limited to the taxpayer's total foreign earned income.

In this report, the foreign earned income exclusion includes the foreign housing exclusion.

Foreign Tax Credit
(line 43, Form 1040)

Individuals who paid income or excess profit taxes to a foreign country or U.S. possession could claim this credit either against Federal income tax liability or as an itemized deduction. Qualifying foreign taxes paid in excess of the allowable amount for Tax Year 1988 could be carried back 2 years and then forward 5 years.

Forfeited Interest Penalty Adjustment
(line 28, Form 1040)

Taxpayers who had paid penalties for the premature withdrawal of funds from time savings accounts or deposits could deduct those penalties as an adjustment to gross income.

General Business Credit
(line 44, Form 1040)

The general business credit consisted of the investment credit, jobs credit, alcohol fuel credit, low-income housing credit, and the research credit. Taxpayers claiming more than one of the business credits were required to summarize them on Form 3800, General Business Credit. The general business credit was limited to 100 percent of the first $25,000 of tax liability and 75 percent of the excess over $25,000 ($12,500 for a married couple filing separately). If the current year general business credit exceeded the tax

liability limitation, the excess amount could be carried back to the 3 preceding tax years, then forward 15 years.

Home Mortgage Interest Deduction

See "Interest Paid Deduction."

Income Subject to Tax

See "Modified Taxable Income."

Income Tax After Credits
(line 47 less line 56 (earned income credit), Form 1040)

To arrive at income tax after credits, taxpayers deducted total credits (line 46, Form 1040) from income tax before credits (line 40, Form 1040). For the statistics, tax was then further reduced by the portion of the earned income credit which did not result in a negative amount. This portion of the earned income credit was included in the total credits as "earned income credit used to offset income tax before credits." Any tax remaining was tabulated as "income tax after credits."

Income Tax Before Credits
(line 40, Form 1040)

This amount consisted of the tax liability computed on "taxable income" using the tax tables, tax rate schedules, or Form 8615 (line 38) plus any additional taxes (line 39). (See also "Tax Generated.")

Income Tax Withheld
(line 54, Form 1040)

Income tax withheld included amounts deducted from salaries, wages, tips, as reported on Form W-2, and from pensions, annuities, and certain gambling winnings as reported on Forms W-2P and W-2G. Amounts withheld from total distributions of profit-sharing, retirement plans, and individual retirement arrangements had withholding reported on Form 1099-R.

In some cases, a backup withholding rate of 20 percent was required for interest, dividend, and royalty payments, which, generally, were not subject to withholding.

Individual Retirement Arrangement Deductible Payments (line 25a and b, Form 1040)

An individual retirement arrangement (IRA) was a savings program that allowed a taxpayer to set aside money for retirement. Beginning in 1987, the deduction for IRA contributions was reduced or eliminated for taxpayers who were covered by an employer retirement plan and whose adjusted gross income exceeded certain levels. Nondeductible contributions were still allowed.

Contributions to such a plan were limited to the lesser of:

(1) an individual's compensation for the year; or

(2) $2,000 ($2,250 if a nonworking spousal IRA was included).

Such contributions could be deducted from the employee's gross income in arriving at adjusted gross income. Unless they were disabled, taxpayers could not start withdrawing funds from the account until they reached age 59-1/2. After age 70 1/2 taxpayers were required to begin withdrawals. Penalty taxes were assessed if the taxpayer failed to comply with these limitations.

Individuals could also set up an IRA to include a nonworking spouse who met certain qualifying conditions. The total IRA deduction, including both the taxpayer and nonworking spouse, could not exceed $2,250. A spousal IRA

deduction is tabulated in the statistics as "secondary IRA payments."

To be deductible, payments to an IRA for a particular taxable year must be made not later than the due date of the individual's return for that year.

Individual Retirement Arrangement Taxable Distributions (line 16b, Form 1040)

Any money or property received from a taxpayer's IRA account was considered a distribution and, generally, had to be included in the taxpayer's gross income in the year received. An exception to this rule was tax-free "rollover" distributions from one retirement account to another.

Interest Paid Deduction #
(line 13, Schedule A)

Interest expenses, except for business or investment, were divided into two categories: personal interest and deductible home mortgage interest. Personal interest included items such as credit card interest, revolving charge account interest, and interest on bank loans. Only 40 percent of personal interest was deductible for 1988, whereas 65 percent was deductible for 1987.

The rules for deducting home mortgage interest changed for 1988. The new rules were: (1) if a taxpayer took out a mortgage *before* October 14, 1987, secured by the taxpayer's main or second home, all the interest was deductible, (2) if the taxpayer's mortgage was *after* October 13, 1987, and the funds were used to buy, build, or improve that home, all interest could be deducted if the total of all mortgages on the property was $1 million or less, and (3) taxpayers could deduct all of the interest on an additional $100,000 of mortgages on their main or second home other than to buy, build, or improve that home.

Generally, the investment interest deduction (interest paid on money borrowed that is allocable to property held for investment) was fully deductible up to the amount of net investment income. Interest relating to business, royalty, and rental income was deducted directly from these items and was not reflected in the interest paid statistics.

Interest Received

See "Taxable Interest/Received."

Interest, Tax-Exempt

See "Tax-Exempt Interest."

Itemized Deductions

See "Total Itemized Deductions" and specific types.

Marginal Tax Rates

Different portions of taxable income are taxed at different rates. The tax rate applied to the last dollar of income is called the "marginal tax rate" for that return. (See also "Tax Generated.")

Marital Filing Status
(lines 1-5, Form 1040)

The five marital filing status classifications were:

(1) joint returns of husbands and wives;

(2) separate returns of husbands and wives;

(3) returns of heads of households;

(4) returns of surviving spouses; and

(5) returns of single persons (not heads of households or surviving spouses).

Marital status was usually determined as of the last day of the taxable year. If one spouse died during the tax year, the other was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year.

Medical and Dental Expense Deduction
(lines 1-4, Schedule A)

Qualified medical expenses included payments made for the diagnosis, treatment, or prevention of disease. In general, medical and dental expenses could be claimed as an itemized deduction to the extent that they exceeded 7.5 percent of adjusted gross income. Amounts paid for medicine and drugs were deductible only if they were not available except by prescription or were for insulin. Taxpayers could also deduct a maximum of $50 per day for certain lodging expenses incurred for medical care.

Minimum Tax Credit #
(line 45, Form 1040)

A minimum tax credit could be taken for 1988 by certain taxpayers who paid alternative minimum taxes for 1987. The credit was that part of the 1987 alternative minimum tax based on adjustments or preference items that deferred tax rather than caused permanent avoidance of tax. If all of the minimum tax credit could not be used for 1988, the excess could then be carried forward to later years.

Miscellaneous Itemized Deductions
(lines 20-25, Schedule A)

Miscellaneous itemized deductions were divided into two tiers. The first tier included those expense items that were fully deductible while expenses in the second tier were limited to the amount that exceeded 2 percent of adjusted gross income.

Deductible Miscellaneous Deductions— Fully deductible expenses included such items as gambling losses (limited to gains), impairment-related work expenses for handicapped people, and amortizable bond premiums.

Limited Miscellaneous Deductions— Unreimbursed employee business expenses and those expenses of producing income were limited to the amount that exceeded 2 percent of adjusted gross income.

Modified Taxable Income #

"Modified taxable income" is the term used to describe "income subject to tax," the actual base on which tax is computed for the statistics in Tables 3.4 and 3.5. For taxpayers filing current year returns, modified taxable income is identical to "taxable income" except for those upper income taxpayers paying both average and marginal tax rates of 28 percent. For these taxpayers the deduction for personal exemptions was phased out and their "income subject to tax" became taxable income plus some or all of the exemption amount.

For prior year returns included in the 1988 statistics, a modified taxable income was computed. This was calculated by using the tax rate schedule to impute a hypothetical taxable income amount necessary to yield the given amount of tax reported.

Moving Expense Deduction
(line 19, Schedule A)

An employee who had to move to a new residence as a result of changing jobs could claim certain expenses for moving and house hunting as an itemized deduction. For employees to qualify for this deduction, the new job location had to be at least 35 miles farther from the former residence than the old job was. Deductible expenses included those incurred from moving household

and personal goods as well as travel, meals, and lodging of the taxpayer and household members en route to the new residence.

Nondeductible Passive Losses #
(calculated on Form 8582)

See Changes in Law section.

Nontaxable Returns

See "Taxable and Nontaxable Returns."

Other Adjustments #
(included in line 30, Form 1040)

See "Statutory Adjustments."

Other Income
(line 22, Form 1040)

Included here were such items as prizes, awards, sweepstakes winnings, gambling winnings, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in a previous year, and any other income subject to tax for which there was no specific line provided on the return form. Any "net operating loss" in an earlier year that was carried forward and deducted for 1988 was entered as a negative amount on this line.

Other Tax Credits
(included in line 46, Form 1040)

"Other tax credits" is a residual category in the statistics and does not relate to a line item on a tax form. It included the "credit for fuel from a nonconventional source" and any other miscellaneous credits that did not belong in any other category and were used to offset income tax before credits.

Overpayment
(line 62, Form 1040)

An overpayment of tax occurred when the "taxpayments" exceeded "total tax liability," including the amount of any "refundable portion of the earned income credit." Overpayments could be refunded or credited toward the estimated tax for the following year. (See also "Credit to 1989 Estimated Tax" and "Refund.")

Overpayment of Windfall Profit Tax
(included in line 61)

A "windfall profit" excise tax was imposed on producers of crude oil, but the tax was withheld and reported by the first purchaser of such oil. If too much tax was withheld in the course of the year, the producer could claim a refund on his or her income tax return.

The excess payment was entered in the margin of the tax payments section of the Form 1040.

Partnership and S Corporation Net Income or Loss (lines 31, 32, Schedule E)

Since partnerships and S corporations (formerly Subchapter S corporations) are not taxable entities, their net profit or loss was taxed, in general, directly to the members of the partnership or shareholders in the S corporation. The profit or loss shown in the statistics was the taxpayer's share of the ordinary gain or loss of the enterprise and certain payments made to the taxpayer for the use of capital or as a salary. Net long-term capital gain retained its character in the hands of the partners or stockholders and was included in the statistics for net gain or loss from sales of capital assets.

If a return showed net income from one partnership or S corporation and a net loss from another, the two were added together and the return was tabulated by the net amount of income or loss in the appropriate column. Beginning in 1987, net income and net loss were reported

separately for passive and non-passive partnership and S corporation activities. Passive losses were limited under the new rules to the amount that could be offset by passive income.

Payment with Request for Extension of Filing Time (line 57, Form 1040)

This payment was made when the taxpayer filed Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return or Form 2688, Application for Additional Extension of Time to File. The extension gained the taxpayer an additional period of time to file a tax return, but it did not extend the time for payment of expected tax. Full payment of any tax due had to be made with the application for extension.

Payments to a Keogh Plan
(line 27, Form 1040)

Self-employed individuals were allowed to contribute to a Keogh retirement plan or a "simplified employment pension" (SEP) plan for themselves and to deduct all or a part of such contributions in computing adjusted gross income. The amount which could be deducted was based on net earnings from self-employment.

Penalty Tax on Individual Retirement Arrangements (line 52, Form 1040)

If taxpayers withdrew any funds from an Individual Retirement Arrangement or qualified retirement plan before they were either age 59-1/2 or disabled, they were subject to a penalty tax equal to 10 percent of the premature distribution. Any taxpayer who failed to withdraw the minimum required distribution after reaching age 70-1/2 had to pay a 50-percent excise tax on the excess accumulation. Contributions to the retirement arrangement in excess of the legal limitation for the year (the lesser of $2,000 or the taxpayer's compensation for the year) were subject to an excise tax equal to 6 percent of the excess contribution.

Pensions and Annuities
(lines 17a, 17b, Form 1040)

Generally, pensions are periodic income received after retirement for past services with an employer, while annuities are income payable at stated intervals after payment of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a non-contributory plan) by contributions of the employer.

Since a non-contributory pension was paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on lines 17a and b. For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution and earnings on the entire investment. The nontaxable portion had to be amortized over the expected lifetime of the taxpayer.

The entire amount of pensions and annuities received for the year was reported on line 17a of the Form 1040. The taxable portion was computed on a separate worksheet and entered on line 17b, "Taxable amount."

Predetermined Estimated Tax Penalty
(included in line 65, Form 1040)

If a return showed taxes of $500 or more owed on line 65 (tax due at time of filing) *and* this amount was more that 10 percent of the total tax, taxpayers could owe a penalty. Also, taxpayers could owe a penalty if they underpaid their 1988 estimated tax liability for any payment period. Form 2210 was used to determine the amount of a penalty, if any.

Refund
(line 63, Form 1040)

A refund of tax included all overpayments of income taxes not applied by the taxpayer as a credit to the next year's estimated tax. (See also "Overpayment.")

Regular Tax Computation

Typically, the taxpayer, in determining the amount of "tax generated," first computed taxable income. Depending on marital status and size of taxable income, the taxpayer then used the tax tables or applied the rates from one of four tax rate schedules to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

Rent Net Income or Loss #
(line 23, columns A,B,C, Schedule E)

Rent net income or loss was a part of adjusted gross income and was determined by deducting from gross rent, the amounts for depreciation, repairs, improvements, interest, taxes, commissions, advertising, utilities, insurance, janitorial services, and any other allowable expenses related to the rented property. Beginning with 1987, new "passive loss" rules limited the losses that could be claimed for rental activities, and for 1988 losses were further limited. In the statistics, total rental net loss includes passive losses that were not deductible in figuring AGI. (Passive losses are discussed under Changes in Law.)

Royalty Net Income or Loss
(line 23, columns A,B,C, Schedule E)

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; revenue from patents; and revenue from literary, musical, or artistic works. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under Code section 1231, and, as a result of the separate computation required by that section, are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets."

S Corporations

See "Partnership and S Corporation Net Income or Loss."

Salaries and Wages
(line 7, Form 1040)

Salaries and wages as reported on the tax return were amounts of compensation primarily for personal services. The following items were included:

- salaries,
- wages,
- commissions,
- bonuses,
- tips,
- fees,
- excess reimbursement over employee business expenses,
- moving expense allowances,

- the difference between the fair market value of certain property and the discount price for which it was purchased by a taxpayer from his employer,
- severance pay,
- sick pay,
- the employee's portion of social security tax,
- exercising a stock appreciation right,
- vacation allowances,
- most disability payments,
- strike and lockout benefits, and
- the value of non-monetary payments for services (e.g., merchandise, accommodations, certain meals or lodging, certain stock purchase plans, or property).

Identifiable amounts for any of these categories which may have been reported by taxpayers as "other income" were treated as salaries and wages for the statistics.

Sales of Capital Assets Net Gain or Loss # (line 13, Form 1040)

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were personal residences, furniture, automobiles, and stocks and bonds. Most assets used for business activities were specifically excluded from treatment as capital assets. (See also "Sales of Property Other Than Capital Assets, Net Gain or Loss.")

The following concepts were used in the computation of net capital gain or loss for this report:

Net capital gain—If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. The full amount of this gain, whether short-term or long-term was included in adjusted gross income. For property acquired after 1987, the holding period was one year or less for a short-term gain or loss and more than one year for a long-term gain or loss.

Net capital gain also included capital gain distributions which were not reported on Schedule D (Capital Gains and Losses and Reconciliation of Forms 1099-B). These capital gain distributions were entered directly on line 14 of Form 1040 if the taxpayer did not have any other gains or losses to report on Schedule D. These distributions were, by definition, long-term capital gains. (See also "Capital Gain Distributions Reported on Form 1040.")

Net capital loss--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer showed a net capital loss. The amount of net capital loss to be included in adjusted gross income was limited to the smaller of the actual net capital loss or $3,000 ($1,500 for married persons filing separately). Any excess capital losses over the $3,000 limit could be carried over to subsequent tax years ("capital loss carryover" in the statistics).

Sales of Property Other Than Capital Assets, Net Gain or Loss (line 15, Form 1040)

Property other than capital assets generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some types of property specifically included in this group were:

(1) certain depreciable, depletable, and real business property;

(2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business;

(3) certain copyrights; literary, musical, or artistic compositions; or similar properties; and

(4) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft.

Taxpayers reported all gains and losses not receiving capital gains treatment on Form 4797, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions.

Self-Employed Health Insurance
(line 26, Form 1040)

Self-employed individuals could deduct as an adjustment to income up to 25 percent of the amount paid for medical insurance for themselves and their families. The balance of the cost was included with other medical care expenses as an itemized deduction subject to the 7.5 percent deduction threshold based on AGI. However, self-employed persons were not allowed this deduction if they or their spouses were employees and eligible to participate in an employer-subsidized health plan.

Self-Employment Tax #
(line 48, Form 1040)

This tax, levied under the social security system, was reported by most individuals who had self-employment earnings of at least $400 derived from a sole proprietorship or from any share of partnership profits. Some types of income (such as dividends, interest, and capital gains and losses) and certain deductions (such as net operating losses, and casualty and theft losses) were not allowed in computing self-employment earnings.

The maximum net earnings subject to self-employment tax for 1988 increased to $45,000 from $43,800 for 1987. The net self-employment tax rate for 1988 increased to 13.02 percent from 12.30 percent for 1987.

Size of Adjusted Gross Income
(line 31, Form 1040)

The amount of adjusted gross income reported by the taxpayer on the return was the basis for classifying data by size of adjusted gross income. Returns without positive adjusted gross income, such as deficit returns or returns on which income and loss were equal, were classified as having "no adjusted gross income" and appear as a separate class in most basic tables. The absence of a class labeled "no adjusted gross income" indicates that any deficit or breakeven returns in a table were included in the lowest income size class.

Social Security Benefits
(lines 21a, 21b, Form 1040)

Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a "tier 1 railroad retirement benefit" that was equivalent to a social security benefit. Social security benefits are not taxable unless the taxpayer's other income exceeds certain levels. The maximum amount taxed was one half of the net social security benefits received. Social security benefits received were reported on Form 1040, line 21a with only the taxable portion reported on line 21b. Taxpayers who had no taxable benefits were not required to show the total benefit on their income tax returns.

Social Security Taxes on Tip Income
(line 51, Form 1040)

This amount consisted of social security tax on unreported tip income and uncollected employee social security tax on tips.

Cash tips amounting to $20 or more that the taxpayer received in a month while working for any one employer were subject to withholding of income tax and social security tax (this included the equivalent railroad retirement tax). If the employer was unable to withhold the social security tax, the amount of uncollected social security tax on tips was indicated on the employee's Form W-2, and the taxpayer was required to report the uncollected tax and pay it with the Form 1040. If the employee did not report the tips to the employer, the employee was required to compute the social security tax on unreported tips on Form 4137 and attach it to Form 1040.

Standard Deduction #
(line 34, Form 1040)

For 1988, the *basic* standard deduction was increased for taxpayers under 65, which made it equal to the basic deduction for those who were age 65 or over or blind. Taxpayers who were age 65 or over or blind could claim an *additional* standard deduction amount of $600 or $750. Both the basic and additional standard deduction were determined by filing status, as shown below.

Single
- Basic deduction of $3,000;
- Each taxpayer 65 or over or blind was allowed an additional $750 deduction each for age and blindness.

Married filing jointly or qualifying widow(er)
- Basic deduction of $5,000;
- Each taxpayer 65 or over or blind was allowed an additional $600 deduction each for age and blindness.

Married, filing separately
- Basic deduction of $2,500;
- Each taxpayer 65 or over or blind was allowed an additional $600 deduction each for age and blindness.

Head of household
- Basic deduction of $4,400;
- Each taxpayer 65 or over or blind was allowed an additional $750 deduction each for age and blindness.

In the statistics, the basic standard deduction was tabulated for all taxpayers who claimed it, including those who were 65 or over or blind. The "additional standard deduction" total included only the additional amount that was taken by those taxpayers who were 65 or over or blind.

State Income Tax Refunds
(line 10, Form 1040)

These amounts were the refunds of State income tax that were claimed as itemized deductions in a prior year.

Statutory Adjustments #
(lines 24-30, Form 1040)

These were certain adjustments to gross income allowed as deductions in arriving at adjusted gross income. For 1988, statutory adjustments included reimbursed employee business expenses, payments to a self-employed Keogh retirement plan or a "simplified employee pension" (SEP), forfeited interest penalty, payments to an individual retirement arrangement (IRA), alimony paid, the self-employed health insurance deduction, and the foreign housing deduction. Each of the above is described separately in this section. In addition, statutory adjustments included the forestation/reforestation amortization deduction and the repayment of supplemental unemployment benefits under the Trade Act of 1974. These amounts were included in the "Other Adjustments" category in the statistics.

Tax Due at Time of Filing
(line 65, Form 1040)

"Tax due" was reported on returns on which "total tax liability" exceeded "total tax-payments."

Tax From Recomputing Prior-Year Investment Credit (line 50, Form 1040)

The investment tax credit provisions of the law included a recapture rule which required taxpayers to pay back all or a portion of any investment credit previously taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its intended useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life. Tax credits could not be applied against this additional tax.

Tax Generated #
(line 38, Form 1040)

This amount was the tax computed on modified taxable income. (See also "Modified Taxable Income.") For 1988, there were two basic tax rates, 15 and 28 percent. However, taxable income over certain levels (from $43,150 to $89,560 if single, $35,950 to $113,300 if married filing separately, $61,650 to $123,790 if head of household, and $71,900 to $149,250 if married filing jointly or a qualifying widow(er)) was subject to an additional 5 percent tax. This meant that a 33 percent marginal tax rate was applied to this part of taxable income with the purpose of phasing out the benefit of the 15 percent tax rate. For income levels higher than those shown above for each filing status, the personal exemption deduction for taxpayers and dependents was phased out and the marginal tax rate then dropped to 28 percent. The tax generated at each of these tax rates is shown in Tables 3.4 and 3.5. Also, if children under age 14 had investment income that exceeded $1,000, it was taxed at the parents' rate on Form 8615 and tabulated separately in Tables 3.4 and 3.5.

On most returns, except those with additional taxes from special computations, "tax generated" equaled "income tax before credits."

Tax Rates

See "Tax Generated."

Taxable and Nontaxable Returns

The taxable and nontaxable classification of a return for this report was determined by the presence of "total income tax" (the sum of income tax after credits and the alternative minimum tax). Some returns classified as "nontaxable" may have had a liability for other taxes, such as self-employment or Railroad Retirement Tax Act (RRTA) taxes, social security taxes on tip income, tax from recomputing prior-year investment credit, penalty taxes on individual retirement arrangements, Section 72 penalty taxes, advance earned income credit payments, golden parachute payments, or uncollected employee social security tax on tips. These taxes, however, were disregarded for purposes of this classification since three of the above taxes were considered social security (rather than income) taxes, and the remaining ones, except for advance earned income payments, were either based on prior year's income or were penalty taxes.

For this report, the earned income credit was treated as an amount which, first, was used to offset income tax before credits. Since the earned income credit was refundable, it was subtracted from income tax (for the statistics) after reduction

by all other statutory credits. As a result, some returns became nontaxable strictly because of the earned income credit if there was no alternative minimum tax and the earned income credit equaled or exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was based on each return as it was originally filed and does not reflect any changes resulting from audit or other enforcement activities.

Taxable Income
(line 37, Form 1040)

Taxable income was derived by subtracting from adjusted gross income any exemption amount *and* either total itemized deductions or the standard deduction. On most current year returns "taxable income" was identical to "modified taxable income" with the exception of those returns for taxpayers with taxable income over certain levels whose personal exemption amount was phased out. For prior year returns received during the current year filing period, taxable income was imputed from the amount of tax reported. (See "Modified Taxable Income.")

Taxable Interest Received
(line 8a, Form 1040)

This amount was the taxable portion of interest received from bonds, debentures, notes, mortgages, certain insurance policy proceeds, personal loans, bank deposits, savings accounts, tax refunds, and U.S. savings bonds. Also included as interest were "dividends" on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions. Most interest on State or local government obligations remained tax-exempt, but the total tax-exempt interest had to be reported on line 8b of Form 1040. It was not included in the taxpayer's income. (See also "Tax-Exempt Interest.")

Taxes Paid Deduction
(line 8, Schedule A)

Taxes allowed as a deduction from adjusted gross income included personal property taxes, State and local income taxes, taxes paid to foreign countries or U.S. possessions (unless a foreign tax credit was claimed), and real estate taxes except those levied for improvements that tended to increase the value of the property. Mandatory employee contributions to a state disability fund and employee contributions to a state unemployment fund were also included. Federal taxes and State and local sales taxes were not deductible.

Taxes paid on business property were deducted separately on the schedules for business, rent, royalty, and farm income and are excluded from the "taxes paid" statistics in this report.

Tax-Exempt Interest #
(line 8b, Form 1040)

Beginning with 1987, the amount of any tax-exempt interest received or accrued during the tax year had to be shown on the tax return. Tax-exempt interest includes interest on certain State and municipal bonds, as well as any tax-exempt interest dividends from a mutual fund or other regulated investment company. This is an information reporting requirement and does not convert tax-exempt interest to taxable interest.

Taxpayments
(lines 54, 55, 57-60, Form 1040)

These payments were generally made before the return was filed and were applied against tax liability to determine any amount payable or

refundable at the time of filing. They consisted of the following:

(1) income tax withheld, including backup withholding;

(2) excess social security taxes or railroad retirement tax withheld;

(3) credit for tax on certain gasoline, fuel, and oil;

(4) estimated tax payments;

(5) payment with request for extension of filing time;

(6) credit from regulated investment companies; and

(7) overpayment of windfall profit tax.

Each of the above is described under a separate heading in this section.

Although the earned income credit was included with taxpayments on the tax return itself, for the statistics it is treated partly as a credit against income tax liability and partly as a refundable amount. (See also "Earned Income Credit.")

Total Income Tax
(the sum of line 47, less earned income credit, and line 49, Form 1040)

Total income tax was the sum of "income tax after credits" (from which the earned income credit was subtracted) and the alternative minimum tax. It did not include any of the other taxes which made up "total tax liability." Total income tax was the basis for classifying returns as "taxable" or "nontaxable."

Total Itemized Deductions
(line 34, Form 1040)

Itemized deductions from adjusted gross income could be claimed for medical and dental expenses, taxes paid, interest paid, contributions, casualty and theft losses, moving expenses, and miscellaneous deductions. The total amount of itemized deductions was tabulated only from returns showing positive adjusted gross income.

Total Tax Credits #
(lines 46, 56, Form 1040)

For this report, total tax credits consisted of the following:

(1) child care credit;

(2) credit for the elderly and disabled;

(3) foreign tax credit;

(4) general business credit;

(5) minimum tax credit;

(6) other tax credits;

(7) mortgage interest credit and any credits on prior year returns; and

(8) earned income credit used to offset income tax before credits.

These amounts were deducted from income tax before credits to arrive at income tax after credits. For the statistics, the portion of the earned income credit which did not result in a negative amount was tabulated as "earned income credit used to offset income tax before credits." Any amount remaining of the earned income credit could be refunded or applied to other taxes.

All other credits were limited to the amount needed to offset "income tax before credits" and were not refundable.

Total Tax Liability
(line 53 modified by the earned income credit, Form 1040)

Total tax liability was the sum of income tax after credits, alternative minimum tax, self-employment or railroad retirement taxes, social security tax on tips, tax from recomputing prior-year investment credits, taxes from individual retirement arrangements, Section 72 penalty taxes, and tax on golden parachute payments. These taxes were then reduced by the "earned income credit used to offset all other taxes" (defined under "Earned Income Credit"). For the statistics, unlike the Form 1040, total tax liability did not include any advance earned income credit payments.

Type of Tax Computation #
(line 38, Form 1040)

Tabulations in Table 3.1 include two methods of computing the tax on income subject to tax. These methods were:

(1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040, 1040A, or 1040EZ (see also "Regular Tax Computation"); and

(2) Form 8615, used to compute the tax on investment income of children under 14.

Unemployment Compensation
(line 20, Form 1040)

Beginning in 1987, all unemployment compensation had to be included in income.

Unreimbursed Employee Business Expenses
(line 20, Schedule A)

See "Employee Business Expenses."

Section 6 1988 Forms and Instructions

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Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **1988**

For the year Jan. Dec. 31, 1988, or other tax year beginning, 1988, ending, 19 — OMB No. 1545-0074

Label (Use IRS label. Otherwise, please print or type.)

LABEL HERE — Your first name and initial (if joint return, also give spouse's name and initial) — Last name — Your social security number

Present home address (number, street, and apt. no., or rural route) (If a P.O. Box, see page 6 of Instructions.) — Spouse's social security number

City, town or post office, state, and ZIP code — For Privacy Act and Paperwork Reduction Act Notice, see Instructions

Presidential Election Campaign — Do you want $1 to go to this fund? Yes ☐ No. If joint return, does your spouse want $1 to go to this fund? Yes ☐ No. Note: Checking "Yes" will not change your tax or reduce your refund.

Filing Status (Check only one box.)

1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here
4 ☐ Head of household (with qualifying person). (See page 7 of Instructions.) If the qualifying person is your child but not your dependent, enter child's name here
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 7 of Instructions.)

Exemptions (See Instructions on page 8.)

6a Yourself. If someone (such as your parent) can claim you as a dependent, do not check box 6a. But be sure to check the box on line 33b on page 2. — No. of boxes checked on 6a and 6b
b Spouse
c **Dependents** (1) Name (first, initial, and last name) | (2) ✓ if under age 1 | (3) If age 5 or older, dependent's social security number | (4) Relationship | (5) No. of months lived in your home in 1988 — No. of your children on 6c who: • lived with you; • didn't live with you due to divorce or separation
If more than 6 dependents, see Instructions on page 8. — No. of other dependents listed on 6c
d If your child didn't live with you but is claimed as your dependent under a pre 1985 agreement, check here ▶ ☐ — Add numbers entered on lines above ▶
e Total number of exemptions claimed

Income (Please attach Copy B of your Forms W-2, W-2G, and W-2P here. If you do not have a W-2, see page 6 of Instructions.)

7	Wages, salaries, tips, etc. (attach Form(s) W-2)		7
8a	**Taxable** interest income (also attach Schedule B if over $400)		8a
b	**Tax exempt** interest income (see page 11). DON'T include on line 8a	8b	
9	Dividend income (also attach Schedule B if over $400)		9
10	Taxable refunds of state and local income taxes, if any, from worksheet on page 11 of Instructions		10
11	Alimony received		11
12	Business income or (loss) (attach Schedule C)		12
13	Capital gain or (loss) (attach Schedule D)		13
14	Capital gain distributions not reported on line 13 (see page 11)		14
15	Other gains or (losses) (attach Form 4797)		15
16a	Total IRA distributions	16a	16b Taxable amount (see page 11) 16b
17a	Total pensions and annuities	17a	17b Taxable amount (see page 12) 17b
18	Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E)		18
19	Farm income or (loss) (attach Schedule F)		19
20	Unemployment compensation (insurance) (see page 13)		20
21a	Social security benefits (see page 13)	21a	
b	Taxable amount, if any, from the worksheet on page 13		21b
22	Other income (list type and amount—see page 13)		22
23	Add the amounts shown in the far right column for lines 7 through 22. This is your **total income** ▶		23

Please attach check or money order here.

Adjustments to Income (See Instructions on page 13.)

24	Reimbursed employee business expenses from Form 2106, line 13	24	
25a	Your IRA deduction, from applicable worksheet on page 14 or 15	25a	
b	Spouse's IRA deduction, from applicable worksheet on page 14 or 15	25b	
26	Self-employed health insurance deduction, from worksheet on page 15	26	
27	Keogh retirement plan and self-employed SEP deduction	27	
28	Penalty on early withdrawal of savings	28	
29	Alimony paid (recipient's last name and social security no.)	29	
30	Add lines 24 through 29. These are your **total adjustments** ▶		30

Adjusted Gross Income

31 Subtract line 30 from line 23. This is your **adjusted gross income**. *If this line is less than $18,576 and a child lived with you, see "Earned Income Credit" (line 56) on page 19 of the Instructions. If you want IRS to figure your tax, see page 16 of the Instructions.* ▶ 31

Tax Computation

32 Amount from line 31 (adjusted gross income) — 32
33a Check if: ☐ You were 65 or older, ☐ Blind; ☐ Spouse was 65 or older, ☐ Blind. Add the number of boxes checked and enter the total here ▶ 33a
b If someone (such as your parent) can claim you as a dependent, check here ▶ 33b ☐
c If you are married filing a separate return and your spouse itemizes deductions or you are a dual status alien, see page 16 and check here ▶ 33c ☐
34 Enter the larger of: • Your **standard deduction** (from page 17 of the Instructions). **OR** • Your **itemized deductions** (from Schedule A, line 26). If you itemize, attach Schedule A and check here ▶ ☐ — 34
35 Subtract line 34 from line 32. Enter the result here — 35
36 Multiply $1,950 by the total number of exemptions claimed on line 6e — 36
37 **Taxable income.** Subtract line 36 from line 35. Enter the result (if less than zero, enter zero) — 37
Caution: If under age 14 and you have more than $1,000 of investment income, check here ▶ ☐ and see page 17 to see if you have to use Form 8615 to figure your tax
38 Enter tax. Check if from ☐ Tax Table, ☐ Tax Rate Schedules, or ☐ Form 8615 — 38
39 Additional taxes (see page 17). Check if from ☐ Form 4970, ☐ Form 4972 — 39
40 Add lines 38 and 39. Enter the total ▶ — 40

Credits (See Instructions on page 18.)

41	Credit for child and dependent care expenses (attach Form 2441)	41	
42	Credit for the elderly or the disabled (attach Schedule R)	42	
43	Foreign tax credit (attach Form 1116)	43	
44	General business credit. Check if from ☐ Form 3800 or ☐ Form (specify)	44	
45	Credit for prior year minimum tax (attach Form 8801)	45	
46	Add lines 41 through 45. Enter the total		46
47	Subtract line 46 from line 40. Enter the result (if less than zero, enter zero) ▶		47

Other Taxes (Including Advance EIC Payments)

48	Self-employment tax (attach Schedule SE)	48
49	Alternative minimum tax (attach Form 6251)	49
50	Recapture taxes (see page 18). Check if from ☐ Form 4255, ☐ Form 8611	50
51	Social security tax on tip income not reported to employer (attach Form 4137)	51
52	Tax on an IRA or a qualified retirement plan (attach Form 5329)	52
53	Add lines 47 through 52. This is your **total tax** ▶	53

Payments (Attach Forms W-2, W-2G, and W-2P to front.)

54	Federal income tax withheld (If any is from Form(s) 1099, check ▶ ☐)	54	
55	1988 estimated tax payments and amount applied from 1987 return	55	
56	Earned income credit (see page 19)	56	
57	Amount paid with Form 4868 (extension request)	57	
58	Excess social security, tax and RRTA tax withheld (see page 20)	58	
59	Credit for Federal tax on fuels (attach Form 4136)	59	
60	Regulated investment company credit (attach Form 2439)	60	
61	Add lines 54 through 60. These are your **total payments** ▶		61

Refund or Amount You Owe

62 If line 61 is larger than line 53, enter amount **OVERPAID** ▶ — 62
63 Amount of line 62 to be **REFUNDED TO YOU** ▶ — 63
64 Amount of line 62 to be applied to your 1989 estimated tax ▶ 64
65 If line 53 is larger than line 61, enter **AMOUNT YOU OWE.** Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1988 Form 1040" on it. — 65
Check ▶ ☐ if Form 2210 (2210F) is attached. See page 21. **Penalty:** $

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature ▶ — Date — Your occupation
Spouse's signature (if joint return, BOTH must sign) ▶ — Date — Spouse's occupation

Paid Preparer's Use Only

Preparer's signature ▶ — Date — Check if self-employed ☐ — Preparer's social security no.
Firm's name (or yours if self-employed) and address ▶ — E.I. No. — ZIP code

*U.S. Government Printing Office: 1988 205-106 23-0758750

Instructions for

Form 1040

and Schedules A, B, C, D, E, F, and SE

1988

Department of the Treasury
Internal Revenue Service

What's inside?

A note from the Commissioner (page 2)

What's new for 1988 (page 2)

Free tax help (page 4)

Avoid common mistakes (page 22)

Tax table (page 45)

How to order forms and publications (page 56)

How to make a gift to reduce America's debt (page 22)

Index (page 60)

Note:
This booklet does not contain any tax forms.

From the Commissioner

Dear Taxpayer,

Thanks for your special effort in making last year's tax filing season a success. Most people filed promptly and got their refunds on time.

I pledge my personal effort and that of the IRS to search for new and better ways to reduce the burden placed on you, our valued customers. I also pledge that we at IRS will continue to improve the quality of the service we are providing to you.

Working together with you, I believe we jointly can find ways to make taxes less taxing for all of us.

Lawrence B. Gibbs
Commissioner of Internal Revenue

What's New for 1988?

Reduced Tax Rates. Most of the rates have been reduced. The tax table and tax rate schedules use the reduced rates—with a phase-out of the lowest rate for higher income individuals.

Increased Deduction for Exemptions. The deduction for each exemption—for you, your spouse, and dependents—has increased to $1,950.

Should You Itemize Deductions or Take the Standard Deduction?

For most people, the standard deduction has increased. Because of this increase, it may be to your benefit to take the standard deduction for 1988 even though you itemized deductions in past years. Read the instructions for line 34 on page 16.

Interest Expense. Even if your deduction for home mortgage interest was limited in 1987, you will probably be able to deduct all of the interest on your mortgage for 1988. See Schedule A instructions for more details.

Increased Earned Income Credit. You may be able to take this credit if you earned less than $18,576 and a child lived with you. (The limit was $15,432 last year.) Read the instructions for line 56 on page 19.

Additional Information. If you want more information about these and other tax law changes, get **Pub. 553,** Highlights of 1988 Tax Changes. You may also find the publications listed at the end of this booklet helpful in completing your return.

New Publication. You have the right to be treated fairly, professionally, promptly, and courteously by IRS employees. Our goal is to make sure that your rights are protected, so that you will have the highest confidence in the integrity, efficiency, and fairness of our tax system. To ensure that you always receive such treatment, you should know about the many rights you have at each step of the tax process. New **Pub. 1,** Your Rights as a Taxpayer, tells you about many of these rights.

New Filing Locations. You may have to send your return to a different address this year. Use the envelope that came with your booklet or see **Where To File** on page 5.

What To Look For in 1989

Supplemental Medicare Premium. If you will be eligible for Medicare, Part A benefits (hospital insurance) by June 30, 1989, you may have to pay a supplemental medicare premium. You will pay it with your tax return next year. The premium will help pay the cost of the new medicare coverage for catastrophic expenses and prescription drugs.

The premium will apply if your income tax for 1989 will be $150 or more. The premium is $22.50 on each $150 of income tax. The premium cannot exceed $800 for each person covered by Medicare, Part A ($1,600 for certain married persons filing a separate return). So that you won't have to pay too much with your return next year, you may wish to increase your income tax withholding or estimated tax payments in 1989. See **Pub. 934,** Supplemental Medicare Premium, for details.

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must first tell you several things: our legal right to ask for the information; why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This applies to tax returns and any papers filed with them. It also applies to any questions we need to ask you so we can complete, correct, or process your return, figure your tax, and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. This is so we know who you are and can process your return and papers.

You must fill in all parts of the tax form that apply to you. Code section 6109 and its regulations say that you must show your social security number on what you file. You do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, the law says that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

The Time It Takes To Prepare Your Return

We try to create forms and instructions that are accurate and can be easily understood. Often this is difficult to do because some of the tax laws enacted by Congress are very complex. For some taxpayers with income mostly from wages, filling out the forms is easy. For others who have businesses, pensions, stocks, rental income or other investments, it is more difficult.

The time needed to complete and file the following forms will vary, depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to IRS
1040	3 hrs., 7 min.	2 hrs., 28 min.	3 hrs., 7 min.	35 min.
Sch. A (1040)	2 hrs., 47 min.	26 min.	1 hr., 1 min.	20 min.
Sch. B (1040)	33 min.	8 min.	16 min.	20 min.
Sch. C (1040)	7 hrs., 4 min.	1 hr., 11 min.	2 hrs., 9 min.	25 min.
Sch. D (1040)	1 hr., 2 min.	45 min.	54 min.	35 min.
Sch. E (1040)	3 hrs., 12 min.	1 hr., 2 min.	1 hr., 22 min.	35 min.
Sch. F (1040)	10 hrs., 53 min.	2 hrs., 2 min.	4 hrs., 10 min.	35 min.
Sch. R (1040)	20 min.	16 min.	22 min.	35 min.
Sch. SE (1040)				
Short	20 min.	11 min.	13 min.	14 min.
Long	26 min.	22 min.	37 min.	20 min.

We Welcome Comments on Forms:

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, TR:FP, or the **Office of Management and Budget**, Paperwork Reduction Project, Washington, DC 20503.

DO NOT send your return to either of these offices. See **Where To File** on page 5.

How To Use This Instruction Booklet

The instructions are divided into five main sections.

- **Section 1** (see page 4) explains who must file, how to choose the correct form to use, and when to file a return.
- **Section 2** (see page 6) has steps to help you prepare your return.
- **Section 3** (see page 6) has instructions for most of the lines on Form 1040.
- **Section 4** (see page 22) has general information.
- **Section 5** (see page 23) has instructions for most of the lines on many of the schedules that may be attached to Form 1040.

What Free Tax Help is Available?

Tax forms and publications. Most of your tax questions can be answered by reading the tax form instructions or one of our many free tax publications.

Recorded tax information by telephone. Our **Tele-Tax** service has recorded tax information covering about 140 topics.

Refund information. Tele-Tax can also tell you the status of your refund. For details, see Tele-Tax Information.

Telephone help. IRS representatives are available to help you with your tax questions. If, after reading the tax form instructions and our tax publications, you are not sure about how to fill out your return, or have a question about a notice you received from us, please call us. Use the toll-free number for your area.

Send IRS written questions. You may send your written tax questions to your IRS District Director. If you don't have the address, you can get it by calling the number for your area.

To find the toll-free number for your area and the pages that contain Tele-Tax Information, see "Telephone Assistance—Federal Tax Information" in the index.

Walk-in help. IRS representatives are available in many IRS offices around the country to help with tax questions that cannot be answered easily by telephone or in our publications. To find the location of the IRS office nearest you, look in the phone book under "United States Government, Internal Revenue Service."

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) are free and help older, handicapped, and non-English speaking people fill out their returns. Call the toll-free telephone number for your area for details. If you received a Federal Income Tax Package in the mail, take it with you when you go for help.

Videotaped instructions for completing your return are available in either English or Spanish at many libraries.

Telephone service for the deaf is available. **Braille materials for the blind** are available at regional libraries for the blind and handicapped.

Unresolved tax problems. The **Problem Resolution Program** is for taxpayers who have been unable to resolve their problems with the IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. This office cannot change the tax law or technical decisions. But it can help you clear up problems that resulted from previous contacts.

Section 1—Filing Information.

Use **Chart A** to see if you must file a return. But, you must use **Chart B** on page 5 if someone (such as your parent) can claim you as a dependent on his or her return. Also see **Other Filing Requirements** on page 5.

Chart A—For most people

To use this chart, first find your marital status at the end of 1988. Then, read across to find your filing status and age at the end of 1988. You must file a return if your gross income* was at least the amount shown in the last column.

Marital status	Filing status	Age	Gross income*
Single (including divorced and legally separated)	Single	under 65	$4,950
		65 or older	$5,700
	Head of household	under 65	$6,350
		65 or older	$7,100
Married with a child and living apart from your spouse during the last 6 months of 1988 (see page 7)	Head of household	under 65	$6,350
		65 or older	$7,100
Married and living with your spouse at end of 1988 (or on the date your spouse died)	Married, joint return	under 65 (both spouses)	$8,900
		65 or older (one spouse)	$9,500
		65 or older (both spouses)	$10,100
	Married, separate return	any age	$1,950
Married, not living with your spouse at end of 1988 (or on the date your spouse died)	Married, joint return or separate return	any age	$1,950
Widowed before 1988 and not remarried in 1988	Single	under 65	$4,950
		65 or older	$5,700
	Head of household	under 65	$6,350
		65 or older	$7,100
	Qualifying widow(er) with dependent child	under 65	$6,950
		65 or older	$7,550

**Gross Income usually means money, goods, and property you received on which you must pay tax. It does not include nontaxable income. See page 9 of the instructions to find out which types of income you should include.*

Chart B—For Children and Other Dependents

If someone (such as your parent) can claim you as a dependent, use **Chart B** to see if you must file a return If your gross income was $1,950 or more, you generally cannot be claimed as a dependent But, you can be claimed as a dependent on your parents' return if you were under age 19 at the end of 1988 or a full-time student and your parents meet the other 4 tests explained on pages 8 and 9

Unearned income includes taxable interest and dividends
Earned income includes wages, tips, and taxable scholarships and fellowships

1. Single dependents under 65

You must file a return if—

Your unearned income was:	and	the total of that income plus your earned income was:
$1 or more		more than $500
$0		more than $3,000

2. Single dependents 65 or older or blind

You must file a return if—

- Your earned income was more than $3,750, or
- Your unearned income was more than $1,250 ($2,000 if 65 or older **and** blind), or
- Your gross income was more than the total of your earned income (up to $3,000) or $500, whichever is larger, plus $750 ($1,500 if 65 or older **and** blind)

3. Married dependents under 65

You must file a return if—

- Your earned income was more than $2,500, or
- You had any unearned income and your gross income was more than $500, or
- Your gross income was at least $5 and your spouse files a separate return on Form 1040 and itemizes deductions

4. Married dependents 65 or older or blind

You must file a return if—

- Your earned income was more than $3,100, or
- Your unearned income was more than $1,100 ($1,700 if 65 or older **and** blind), or
- Your gross income was more than the total of your earned income (up to $2,500), or $500, whichever is larger, plus $600 ($1,200 if 65 or older **and** blind), or
- Your gross income was at least $5 and your spouse files a separate return on Form 1040 and itemizes deductions

Other Filing Requirements. You must file a return if any of the following applied for 1988

- You owe any special taxes, such as
  - —social security tax on tips you did not report to your employer,
  - —uncollected social security tax or RRTA tax on tips you reported to your employer,
  - —alternative minimum tax,
  - —tax on an Individual Retirement Arrangement (IRA) or a qualified retirement plan, or
  - —tax from recapture of investment credit or low-income housing credit
- You received any advance earned income credit (EIC) payments from your employer(s)
- You had net earnings from self employment income of at least $400
- You had wages of $100 or more from a church or qualified church-controlled organization that is exempt from employer social security taxes

These rules apply to all U S citizens and resident aliens They also apply to nonresident aliens and dual-status aliens who are married to U S citizens or residents at the end of 1988 and who have elected to be treated as resident aliens.

If you were a nonresident alien at any time during 1988 (except as mentioned above), different rules apply You may have to file **Form 1040NR**, U S Nonresident Alien Income Tax Return. Also get **Pub. 519**, U S Tax Guide for Aliens

Note: *Specific rules apply to determine if you are a resident or nonresident alien. See Pub 519 for details*

Who Should File

Even if you do not have to file, you should file to get a refund if Federal income tax was withheld from any payments to you or if you can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A . If you file only to get a refund of tax withheld, you may be able to use Form 1040EZ

When To File

You should file as soon as you can after January 1, but not later than April 17, 1989

If you file late, you may have to pay penalties and interest See **Penalties and Interest** on page 22

If you know that you cannot file by the due date, you should ask for an extension using **Form 4868**, Application for Automatic Extension of Time To File U.S Individual Income Tax Return

Note: *Form 4868 does not extend the time to pay your income tax See the instructions for Form 4868*

If you are a U S citizen or resident, you may qualify for an automatic extension of time to file if, on the due date of your return, you meet one of the following conditions.

- You live outside the U S and Puerto Rico, AND your main place of business or post of duty is outside the U S and Puerto Rico
- You are in military or naval service on duty outside the U S. and Puerto Rico

The extension gives you an extra two months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax You must attach a statement to your return showing that you meet the requirements

Where To File

If an addressed envelope came with your return, please use it. If you do not have one, or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live No street address is needed

If you are located in:	Use this address:
Florida, Georgia, South Carolina	Atlanta, GA 39901
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Holtsville, NY 00501
Connecticut Maine Massachusetts New Hampshire New York (all other counties) Rhode Island, Vermont	Andover MA 05501
Illinois, Iowa, Minnesota Missouri Wisconsin	Kansas City, MO 64999
Delaware, District of Columbia, Maryland Pennsylvania, Virginia	Philadelphia, PA 19255
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte El Dorado Glenn Humboldt Lake Lassen Marin, Mendocino, Modoc Napa Nevada Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou Solano, Sonoma, Sutter, Tehama Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota Oregon, South Dakota Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Alabama, Arkansas, Louisiana Mississippi, North Carolina Tennessee	Memphis, TN 37501
American Samoa	Philadelphia, PA 19255
Guam	Commissioner of Taxes Agana, GU 96910
Puerto Rico (or if excluding income under section 933)	Philadelphia, PA 19255
Virgin Islands Nonpermanent residents	Philadelphia, PA 19255
Virgin Islands Permanent residents	V I. Bureau of Internal Revenue Lockharts Garden No 1 A Charlotte Amalie, St Thomas, VI 00802
Foreign country U S citizens and those filing Form 2555 or Form 4563 even if you have an A P O or F P O address	Philadelphia, PA 19255
A P O or F P O address of	Miami—Atlanta, GA 39901 New York—Holtsville NY 00501 San Francisco—Fresno, CA 93888 Seattle—Ogden, UT 84201

(Where To File continued on next page)

Which Form To File

You MAY Be Able To Use Form 1040EZ If:

- You were single and do not claim any dependents
- You were not 65 or older OR blind
- You had **only** wages, salaries, tips, taxable scholarships and fellowships, and not more than $400 of taxable interest income
- Your taxable income is less than $50,000
- You do not itemize deductions or claim any adjustments to income or tax credits

You MAY Be Able To Use Form 1040A If:

- You had income **only** from wages, salaries, tips, taxable scholarships and fellowships, unemployment compensation, interest, or dividends
- Your taxable income is less than $50,000
- You do not itemize deductions

You can also use Form 1040A to claim the deduction for certain contributions to an Individual Retirement Arrangement (IRA), nondeductible contributions to an IRA, and the credit for child and dependent care expenses

Since Forms 1040A and 1040EZ are easier to complete than Form 1040, you should use one of them unless using Form 1040 lets you pay less tax However, even if you meet the above tests, you must file Form 1040 if any of the following situations applies to you

You MUST Use Form 1040 If:

- Your taxable income is $50,000 or more
- You itemize deductions (Read the instructions for line 34 that begin on page 16 to see if it would benefit you to itemize)
- You received, as a nominee, interest or dividends that actually belong to another person
- You received or paid accrued interest on securities transferred between interest payment dates
- You received any nontaxable dividends or capital gain distributions
- You are required to fill in Part III of Schedule B for foreign accounts and foreign trusts (see page 27 of the instructions)
- You had any of the kinds of income shown on Form 1040, lines 10 through 19, 21b, and 22, such as taxable social security or railroad retirement benefits
- You take any of the adjustments to income shown on Form 1040, lines 24, 26 through 29, or any write-in amount included on line 30
- You claim any of the credits on Form 1040, lines 42 through 45, or any write-in amount included on line 46
- You owe any of the taxes on Form 1040, lines 39, 48 through 52, or any write-in amount included on line 53 (other than advance EIC payments)
- You claim any of the payments on Form 1040, lines 55, 59, 60, or any write-in amount included on lines 60 or 61
- You file any of these forms

Form 1040-ES, Estimated Tax for Individuals, for 1988 (or if you want to apply any part of your 1988 overpayment to estimated tax for 1989)

Form 2210, Underpayment of Estimated Tax by Individuals

Form 2555, Foreign Earned Income

Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa

Form 8271, Investor Reporting of Tax Shelter Registration Number

Section 2
Steps for Preparing Your Return

Follow the six useful steps below to help you prepare your return If you follow these steps and read the line-by-line instructions, we feel that you can fill in your return quickly and accurately

Step 1— Get all of your records together.

Income Records. These include any Forms **W-2, W-2G, W-2P,** and **1099** that you may have If you don't get a Form W-2 by January 31, 1989, or if the one you get isn't correct, please contact your employer as soon as possible Only your employer can give you a Form W-2 or correct it If you cannot get a Form W-2 by February 15, call the toll-free telephone number listed in the instructions for your area You will be asked for your employer's name, address, and if known, identification number

Itemized Deductions and Tax Credits. Pages 18 through 26 of these instructions tell you what credits and itemized deductions you can take Some of the records you may need are

- Medical and dental payment records
- Real estate and personal property tax receipts
- Interest payment records for items such as a home mortgage, car, or appliances
- Records of payments for child and dependent care so you could work

Step 2— Get any forms, schedules, or publications you need.

In general, we mail forms and schedules to you based on what you filed last year Before you fill in your return, look it over to see if you need more forms or schedules

If you think you will need any other forms, get them before you start to fill in your return Most IRS offices and many local banks, post offices, and libraries may have some of them. Or, you can use the order blank on the next to the last page of this instruction booklet We will send you the forms, schedules, instructions, and publications you ask for.

Step 3— Fill in your return.

Section 3 begins the line-by-line instructions

Step 4— Check your return to make sure it is correct.

See **Avoid Common Mistakes** on page 22

Step 5—Sign and date your return.

Form 1040 is not considered a return unless you sign it Your spouse must also sign if it is a joint return

Step 6— Attach all required forms and schedules.

Attach the first copy or Copy B of Forms W-2, W 2G, and W-2P to the front of Form 1040

Attach all schedules and forms in order of the "Attachment Sequence No " shown in the upper right corner of the schedule or form For example, the "Attachment Sequence No " for Schedule A (Form 1040) is 07 Attach forms without an attachment sequence number at the end of your return

If you need more space on forms or schedules, attach separate sheets and use the same format as the printed forms, but show your totals on the printed forms Please use sheets that are the same size as the forms and schedules Be sure to put your name and social security number on these separate sheets and attach them at the end of your return

If you owe tax, be sure to attach your payment to the front of Form 1040

Section 3
Line-by-Line Instructions

Name, Address, and Social Security Number

If you received a mailing label from us, please use it But don't attach your label to your return until you complete the return Make sure the label is correct If it isn't, mark through the label and make corrections on the label Also add any missing information (such as apartment number)

Caution: *If the label is for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order.*

If you do not have a label, print or type your name, address (including apartment number), and social security number If filing a joint return, be sure you enter your names and social security numbers in the same order as shown on your 1987 return

P.O. Box. If your post office does not deliver mail to your street address and you have a P O. box, enter your P O. box number on the line for your present home address instead of your street address.

Social Security Number. If you are married, give social security numbers for both you and your spouse whether you file joint or separate returns.

If your spouse is a nonresident alien, has no income, does not have a social security

number and you file a separate return enter "NRA" in the block for your spouse's social security number. If you and your spouse file a joint return, your spouse must get a social security number.

If you don't have a social security number, you can get one by filing **Form SS-5** with a local Social Security Administration office. If you don't have a number by the time you are ready to file your return, apply for one and enter "Applied for" in the block for your social security number.

Name Change. If you have changed your name because of marriage, divorce, etc., make sure you immediately notify the Social Security Administration (SSA) so the name on your tax return is the same as the name SSA has on its records. This may prevent delays in issuing your refund.

Joint Return. If you are married, filing a joint return, show the social security numbers in the same order that you show your first names. If you and your spouse have different last names, please separate the names with an "and." For example: "John Brown and Mary Smith."

Presidential Election Campaign Fund

Congress set up this fund to help pay for Presidential election costs.

You may have $1 go to the fund by checking the **Yes** box. If you are filing a joint return, your spouse may also have $1 go to the fund.

If you check **Yes**, it will not change the tax or refund shown on your return.

Filing Status
Lines 1 through 5
Single

You can file as single if on December 31 you were unmarried or separated from your spouse either by divorce or a separate maintenance decree and you do not qualify for another filing status. State law governs whether you are married, divorced, or legally separated.

If you were married on December 31, consider yourself married for the whole year. If you meet the tests explained on this page for **Married Persons Who Live Apart**, you may file as head of household.

If your spouse died in 1988, consider yourself married to that spouse for the whole year unless you remarried before the end of 1988.

Married

Joint or Separate Returns?

Generally, married couples will pay less tax if they file a joint return because the tax rate for married persons filing jointly is lower than the tax rate for married persons filing separately. However, as a result of some of the changes in the tax law, you may want to figure your tax both ways to see which filing status is to your tax benefit.

Joint Returns. If you file a joint return, you must report all income, exemptions, deductions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

You and your spouse can file a joint return even if you did not live together for the whole year. Both of you are responsible for any tax due on a joint return, so if one of you does not pay, the other may have to.

***Note:** If you file a joint return, you may not after the due date of the return, choose to file separate returns for that year.*

If your spouse died in 1988, you can file a joint return for 1988. You can also file a joint return if your spouse died in 1989 before filing a 1988 return. For details on how to file the joint return, see **Death of Taxpayer** on page 22.

***Tax Tip:** If you decide not to file a joint return and plan to file a separate return, see if you can lower your tax by meeting the tests described below under **Married Persons Who Live Apart**.*

Special Rule for Aliens.—If at the end of 1988 you were a nonresident alien or dual status alien married to a U.S. citizen or resident alien, you may be able to file a joint return with your spouse. If you do file a joint return, you and your spouse must agree to be taxed on your combined worldwide income. For more details, get **Pub. 519**, U.S. Tax Guide for Aliens.

Separate Returns. You can file separate returns if both you and your spouse had income, or if only one of you had income.

If you file a separate return, you each report only your own income, exemptions, deductions, and credits, and you are responsible only for the tax due on your own return. However, if you live in a community property state, special rules apply. For details, get **Pub. 555**.

If you file a separate return, you generally cannot take the credit for child and dependent care expenses and you cannot take the earned income credit. If you lived with your spouse at any time in 1988, you cannot take the credit for the elderly or the disabled. Also, you may have to include in income up to one-half of any social security benefits or equivalent railroad retirement benefits you received in 1988. If your spouse itemizes deductions, you cannot take the standard deduction.

If you file a separate return, enter your spouse's full name in the space provided on line 3 and your spouse's social security number in the block provided for that number.

If your spouse does not file, check the box on line 6b if you can claim an exemption for your spouse. Please see **For Your Spouse** on page 8.

Married Persons Who Live Apart. Some married persons who have a child and who do not live with their spouse may file as head of household and use tax rates that are lower than the rates for single or for married filing a separate return. This also means that you can take the standard deduction even if your spouse itemizes deductions. You may also be able to claim the earned income credit.

You should check the box on line 4, Head of household, if you meet **ALL 4** of the following tests:

1. You file a separate return from your spouse.
2. You paid more than half the cost to keep up your home in 1988.
3. Your spouse did not live with you at any time during the last 6 months of 1988.
4. For over 6 months of 1988, your home was the main home of your child or stepchild whom—
   - **a.** you can claim as a dependent, **OR**
   - **b.** the child's other parent claims as a dependent under the rules explained on page 9 for **Children of Divorced or Separated Parents**. (Enter this child's name in the space provided on line 4.)

Head of Household

***Tax Tip:** The tax rates for a person who can meet the tests for head of household are lower than the rates for single or for married filing a separate return.*

You may use this filing status **ONLY IF** on December 31, 1988, you were unmarried (including certain married persons who live apart, as discussed above) or legally separated and meet test **1** or **2** below.

1. You paid more than half the cost of keeping up a home for the entire year, which was the main home of your father or mother whom you can claim as a dependent, **OR**
2. You paid more than half the cost of keeping up the home in which you lived and in which one of the following also lived for more than 6 months of the year (except for temporary absences, such as for vacation or school):
   - **a.** Your **unmarried** child, grandchild, great grandchild, etc., adopted child, or stepchild. This child does not have to be your dependent. However, your foster child must be your dependent.
   - **b.** Your **married** child, grandchild, great grandchild, etc., adopted child, or stepchild. This child must be your dependent. But if your married child's other parent claims him or her as a dependent under the rules on page 9 for **Children of Divorced or Separated Parents**, this child does not have to be your dependent.
   - **c.** Any other relative listed below whom you can claim as a dependent:

Parent	Father-in-law
Grandparent	Brother-in-law
Great grandparent, etc.	Sister-in-law
Brother	Son-in-law
Sister	Daughter-in-law, or
Stepbrother	if related by blood:
Stepsister	Uncle
Stepmother	Aunt
Stepfather	Nephew
Mother-in-law	Niece

***Note:** See instructions for line 6c for the definition of dependent.*

Special rules

- If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.
- You cannot file as head of household if you claim a relative described in **1** or **2** above as a dependent under a **Multiple Support Declaration**. (See page 9 for details on dependents supported by two or more taxpayers.)

Qualifying Widow or Widower With a Dependent Child

If your spouse died in 1986 or 1987 and you did not remarry in 1988, you may be able to use joint return tax rates for 1988.

You can figure your tax at joint return rates if you meet **ALL 3** of the following tests:

1. You could have filed a joint return with your spouse for the year your spouse died even if you didn't actually do so.
2. Your dependent child, stepchild, adopted child, or foster child lived with you (except for temporary absences, such as for vacation or school).
3. You paid over half the cost of keeping up the home for this child for the whole year.

Check the box on line 5, Qualifying widow(er) with dependent child, and show the year your spouse died in the space provided. **Do not** claim an exemption for your spouse.

If your spouse died before 1986 and you did not remarry by the end of 1988, you may check the box on line 4 if you meet the tests under **Head of Household**. Otherwise, you must file as single.

Exemptions
Line 6a
For Yourself

Check the box on line 6a unless someone else (such as your parent) can claim you as a dependent.

Line 6b
For Your Spouse

If you file a joint return and your spouse cannot be claimed as a dependent on another person's return, check the box on line 6b. If you file a separate return, you can take an exemption for your spouse only if your spouse is not filing a return, had no income, and was not the dependent of someone else.

If at the end of 1988 you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you are considered married for the whole year.

If your spouse died in 1988 and you did not remarry before the end of 1988, check the box on line 6b if you could have taken an exemption for your spouse on the date of death.

Nonresident Alien Spouse. If you do not file a joint return, you may claim an exemption for your spouse only if your spouse had no income from U.S. sources and is not the dependent of another taxpayer. Check the box on line 6b to claim an exemption for a nonresident alien spouse and enter "NRA" to the right of the word Spouse on line 6b.

Line 6c
Children and Other Dependents

You can take an exemption for each person who is your dependent (defined on this page). Enter the full names and other information for your dependent children and other dependents. If you have more than six dependents, show the information requested in columns (1) through (5) for each of those dependents on an attached statement. When entering the total number of dependents in the boxes to the right of line 6c, be sure to count the dependents listed on the attached sheet.

Column (2). If your dependent listed in column (1) was under age 5 on December 31, 1988, enter a check mark in column (2).

Column (3). If your dependent was age 5 or older on December 31, 1988, you must enter his or her social security number. If you don't or if the number entered is incorrect, you may have to pay a penalty.

If your dependent does not have a social security number, he or she may get one by filing **Form SS-5** with a local Social Security Administration office. If your dependent lives in Canada or Mexico, see **Pub. 501**, Exemptions, Standard Deduction, and Filing Information, for details on how to get a social security number for this dependent. If your dependent does not have a number by the time you are ready to file your return, apply for one and enter "Applied for" in column (3).

Column (5). Enter the number of months that your dependent lived with you in 1988. (Temporary absences such as school or vacation are counted as time living in your home.) Write "12" in this column if your dependent was born or died in 1988. If your dependent was not a U.S. citizen but was a resident of Canada or Mexico in 1988, don't enter a number. Instead, write the letter "F" (for foreign).

Children Who Didn't Live With You. If you are claiming a child under the rules explained on page 9 for **Children of Divorced or Separated Parents**, enter the number of children who did not live with you (or who lived with their other parent for the greater part of the year) in the box to the right of line 6c labeled "No. of your children on 6c who didn't live with you due to divorce or separation." You must either:

- check the box on line 6d if your divorce decree or written separation agreement was in effect before 1985 and it states that you can claim the child as your dependent, **OR**
- attach **Form 8332**, Release of Claim to Exemption for Child of Divorced or Separated Parents, or similar statement. If your divorce decree or separation agreement went into effect after 1984 and it states that you can claim the child as your dependent, you may attach a copy of the following pages from the decree or agreement instead of Form 8332:

1. Cover page (write the other parent's social security number on this page),
2. The page that states you can claim the child as your dependent, and
3. Signature page showing the date of agreement.

Enter the total number of children who did not live with you for reasons other than divorce or separation on the line labeled "No. of other dependents listed on 6c." This includes your dependents who were not U.S. citizens and who resided in Canada or Mexico during 1988.

Birth or Death of Dependent. You can take an exemption for a dependent who was born or who died during 1988 if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

For more details, get **Pub. 501**, Exemptions, Standard Deduction, and Filing Information.

Dependent. A dependent is any person who meets **ALL 5** of these tests:

1. income,
2. support,
3. married dependent,
4. citizenship or residence, and
5. relationship.

These tests are explained below.

Test 1—Income

In general, the person must have received less than $1,950 of gross income. Gross income does not include nontaxable income, such as welfare benefits or nontaxable social security benefits.

Income received by a permanently and totally disabled person for services performed at a sheltered workshop school is generally not included in gross income for purposes of the income test. Get Pub. 501 for details.

Special Rules for Your Dependent Child. Even if your child had income of $1,950 or more, you can claim your child as a dependent if tests 2, 3, and 4 below are met, and:

- your child was under 19 at the end of 1988, or
- your child was enrolled as a full-time student at a school during any 5 months of 1988, or
- your child took a full-time, on-farm training course during any 5 months of 1988. (The course had to be given by a school or a state, county, or local government agency.)

The school must have a regular teaching staff, a regular course of study, and a regularly enrolled body of students in attendance.

A school includes:

- elementary, junior, and senior high schools,
- colleges and universities, and
- technical, trade, and mechanical schools.

However, school does not include on the job training courses or correspondence schools.

Test 2—Support

In general, you must have given over half of the dependent's support in 1988. If you file a joint return, the support can be from you or your spouse. Even if you did not give over half of the dependent's support, you will be treated as having given over half of the support if you meet the tests explained on page 9 for **Children of Divorced or Separated Parents** or **Dependent Supported by Two or More Taxpayers**.

In figuring total support, you must include money the dependent used for his or her own support, even if this money was not taxable (for example, gifts, savings, welfare benefits). If your child was a student, do not include amounts he or she received as scholarships.

Support includes items such as food, a place to live, clothes, medical and dental care, recreation, and education. In figuring support, use the actual cost of these items. However, the cost of a place to live is figured at its fair rental value.

Do not include in support items such as income and social security taxes, premiums for life insurance, or funeral expenses.

Capital items—You must include capital items such as a car or furniture in figuring support, but only if they were actually given to, or bought by, the dependent for his or her use or benefit Do not include the cost of a capital item for the household or for use by persons other than the dependent

If you cared for a foster child, see **Pub. 501** for special rules that apply

Children of Divorced or Separated Parents. The parent who has custody of a child for most of the year (the custodial parent) can generally take the exemption for that child if the child's parents together paid more than half of the child's support This general rule also applies to parents who did not live together at any time during the last 6 months of the year But the parent who does not have custody, or who has the child for the shorter time (the noncustodial parent), may take the exemption if either **a** or **b** below applies

a. The custodial parent signs **Form 8332**, Release of Claim to Exemption for Child of Divorced or Separated Parents, or similar statement, agreeing not to claim an exemption for the child in 1988, and the noncustodial parent attaches the form, or similar statement, to his or her 1988 tax return See **Children Who Didn't Live With You** on page 8, for more information

b. A decree of divorce or separate maintenance (or a written agreement) that was in effect before 1985 states that the noncustodial parent can take the exemption and he or she gave at least $600 for the child's support in 1988 The noncustodial parent must check the box on line 6d for pre-1985 agreements This rule does not apply if the decree or agreement was modified after 1984 to specify that the noncustodial parent cannot claim the exemption

Note: *In figuring support, a parent who has remarried may count the support provided by the new spouse*

Dependent Supported by Two or More Taxpayers. Sometimes two or more taxpayers together pay more than half of another person's support, but no one alone pays over half of the support One of the taxpayers may claim the person as a dependent only if the tests for income, married dependent, citizenship or residence, and relationship are met

In addition, the taxpayer who claims the dependent must

a. have paid more than 10% of the dependent's support, and

b. attach to his or her tax return a signed **Form 2120**, Multiple Support Declaration, from every other person who paid more than 10% of the support This form states that the person who signs it will not claim an exemption in 1988 for the person he or she helped to support.

Test 3—Married Dependent

The dependent did not file a joint return. However, if neither the dependent nor the dependent's spouse is required to file, but they file a joint return to get a refund of all tax withheld, you may claim him or her if the other 4 tests are met.

Test 4—Citizenship or Residence

The dependent must have been a citizen or resident of the United States, a resident of Canada or Mexico, or an alien child adopted by and living the entire year with a U S citizen in a foreign country

Test 5—Relationship

The dependent met test **a** or **b** below

a. Was related to you (or your spouse if you are filing a joint return) in one of the following ways

Child	Great grand child, etc	Brother-in law
Stepchild	Half brother	Sister-in law
Mother	Half sister	Son in law
Father	Stepbrother	Daughter in law
Grandparent	Stepsister	or, if related by blood
Great Grand parent, etc	Stepmother	Uncle
Brother	Stepfather	Aunt
Sister	Mother-in-law	Nephew
Grandchild	Father in law	Niece

Note: *Any relationships that have been established by marriage are not treated as ended by death or divorce*

b. Was any other person who lived in your home as a member of your household for the whole year **A person is not a member of your household** if at any time during your tax year the relationship between you and that person violates local law

The word *child* includes

- Your son, daughter, stepson, stepdaughter, or adopted son or daughter
- A child who lived in your home as a member of your family if placed with you by an authorized placement agency for legal adoption
- A foster child (any child who lived in your home as a member of your family for the whole year for whom you did not receive qualified foster care payments)

Income

Examples of Income You Do Not Report

(Do not include these amounts when you decide if you must file a return)

Welfare benefits

Disability retirement payments (and other benefits) paid by the Veterans' Administration

Workers' compensation benefits, insurance damages, etc , for injury or sickness

Child support

Gifts, money, or other property you inherited or that was willed to you

Dividends on veterans' life insurance

Life insurance proceeds received because of a person's death.

Amounts you received from insurance because you lost the use of your home due to fire or other casualty to the extent the amounts were more than the cost of your normal expenses while living in your home (You must report as income reimbursements for normal living expenses)

Certain amounts received as a scholarship (see the instructions for line 7 on page 10)

Cancellation of certain student loans where the student, under the terms of the loan, performs certain professional services for any of a broad class of employers (get **Pub. 520**).

Examples of Income You Must Report

The following kinds of income should be reported on Form 1040, or related forms and schedules, in addition to the types of income listed on Form 1040, lines 7 through 21b You may need some of the forms and schedules mentioned below

Scholarship and fellowship amounts See the instructions for line 7 on page 10

Original Issue Discount (Schedule B)

Distributions from SEPs and DECs

Amounts received in place of wages, from accident and health plans (including sick pay and disability pensions) if your employer paid for the policy

Bartering income (fair market value of goods or services you received in return for your services)

Business expense reimbursements you received that are more than you spent for these expenses

Tier 2 and supplemental annuities under the Railroad Retirement Act

Life insurance proceeds from a policy you cashed in if the proceeds are more than the premium you paid

Your share of profits from S corporations, partnerships, estates and trusts (Schedule E)

Endowments

Lump-sum distributions (Form 4972) (See page 12)

Gains from the sale or exchange (including barter) of real estate, securities, coins, gold, silver, gems, or other property (Schedule D or Form 4797)

Gains from the sale of your main home (Schedule D and Form 2119)

Accumulation distributions from trusts (Form 4970)

Prizes and awards (contests, raffles, lottery, and gambling winnings)

Earned income from sources outside the United States (Form 2555)

Director's fees

Fees received as an executor or administrator of an estate

Embezzled or other illegal income

U.S. Citizens Living Abroad

Generally, foreign source income must be reported. Get **Pub. 54**, Tax Guide for U S Citizens and Resident Aliens Abroad, for more details.

Community Property States

Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin

If you and your spouse live in a community property state, you must follow state law to determine what is community income and what is separate income However, different rules could apply if

- you and your spouse lived apart all year,
- you do not file a joint return, and
- no part of the community income you earn is transferred to your spouse

For details, get **Pub. 555**, Community Property and the Federal Income Tax.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules To do so, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar For example, $1 39 becomes $1 and $2 50 becomes $3

If you do round off, do so for all amounts However, if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and only round off the total

Example. You received two W-2 forms, one showing wages of $5,000 55 and one showing wages of $18,500 73 On Form 1040, line 7, you would enter $23,501 ($5,000 55 + $18,500 73 = $23,501 28) instead of $23,502 ($5,001 + $18,501)

Line 7

Wages, Salaries, Tips, Etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc , were taken out For information on allocated tips, get **Pub. 531**, Reporting Income From Tips

Include in this total

- The amount that should be shown in Box 10 on **Form W-2** Report all wages, salaries, and tips you received, even if you do not have a Form W-2
- Tips received that you did not report to your employer. (Show any social security tax due on these tips on line 51—see the instructions on page 19.)

Note: *Any tip allocation amount shown on Form W-2 may be added to your gross income unless you are able to prove a lesser amount with adequate records*

- Disability pensions if you have not reached the minimum retirement age set by your employer

Note: *Except for those disability pensions mentioned above, pensions shown on* ***Form W-2P*** *(other than payments from an IRA) are reported on lines 17a and 17b of Form 1040 Payments from an IRA are reported on lines 16a and 16b*

- Payments by insurance companies, etc , not included on Form W-2 If you receive sick pay or a disability payment from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 7 Attach a statement showing the name and address of the payer and amount of sick pay or disability income (Get **Form W-4S** for information on withholding of Federal income tax from your sick pay.)
- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience Don't report the value of meals given you at work if they were provided for your employer's convenience Also do not report the value of living quarters you had to accept on your employer's business premises as a condition of employment
- Strike and lockout benefits paid by a union from union dues Include cash and the fair market value of goods received Don't report benefits that were gifts

- Any amount your employer paid for your moving expenses (including the value of services furnished in kind) that is not included in Box 10 on Form W-2

Note: *You must report on line 7 all wages, salaries, etc , paid for your personal services, even if the income was signed over to a trust (including an IRA), another person, a corporation, or a tax-exempt organization*

For more details on reporting income received in the form of goods, property, meals, stock options, etc , get **Pub. 525**, Taxable and Nontaxable Income

Fringe Benefits. If you used an employer-provided highway motor vehicle for both personal and business use and your employer included 100% of the fair rental value of the vehicle in the wages, tips, and other compensation box (Box 10) of your W-2 form, you must use **Form 2106**, Employee Business Expenses, to claim a deduction for the business use of the vehicle (The total fair rental value of the vehicle should be shown in Box 16a of your W-2 form or on a separate statement) You must report on Form 1040, line 7, the total amount shown in Box 10 of your W-2 form. For more details, get Pub. 525.

Excess Salary Deferrals. If you choose to have your employer contribute part of your pay to certain retirement plans (such as a 401(k) or the Federal Thrift Savings Fund) instead of having it paid to you, the Form W-2 you get from that employer should have the "Deferred compensation" box in Box 5 checked The amount deferred should be shown in Box 16 The total amount that may be deferred for 1988 under **all** plans is generally limited to $7,313. Any amount deferred in excess of $7,313 must be reported on Form 1040, line 7. Amounts deferred under a tax-sheltered annuity plan may have a higher limit Get **Pub. 571**, Tax Sheltered Annuity Programs for Employees of Public Schools and Certain Tax-Exempt Organizations, for details

Scholarships and Fellowships. If you received amounts as a scholarship or fellowship, part of the amounts you received may be taxable

If you were a degree candidate and the scholarship or fellowship was granted after August 16, 1986, the amounts you used for expenses other than tuition and course-related expenses are taxable. For example, amounts you spent on room, board, and travel are taxable

Include the taxable amount on line 7 Then write "SCH" and the amount not reported on a W-2 form in the space to the left of line 7

If the scholarship or fellowship was granted on or before August 16, 1986, or if you were not a degree candidate, get **Pub. 520**, Scholarships and Fellowships, to see how much is taxable and how to report it

Line 8a

Taxable Interest Income

Enter **ALL** of your taxable interest income If the total interest is more than $400, first fill in Schedule B (see page 26 of the instructions)

Report any interest you received or that was credited to your account so you could withdraw it. (It does not have to be entered in your passbook.) Interest that was credited in 1988 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 1988 income For details, get **Pub. 550**, Investment Income and Expenses

Generally, the payer will send you a **Form 1099-INT** or, if applicable, a **Form 1099-OID** for this interest

If you received, as a nominee, interest that actually belongs to someone else, see Schedule B instructions on page 27

Caution: *Be sure to give each payer of interest income your correct social security number Otherwise, the payer may have to withhold 20% of the interest You may also be subject to penalties*

For more details, get Pub 550

Examples of Taxable Interest Income You MUST Report

Report interest from

- Accounts (including certificates of deposit and money market accounts) with banks, credit unions, and savings and loan associations
- Building and loan accounts
- Notes, loans, and mortgages Special rules apply to loans with below-market interest rates Get **Pub. 545**, Interest Expense
- Tax refunds (report only the interest on them as interest income)
- Bonds and debentures Also arbitrage bonds issued by state and local governments after October 9, 1969 (Report interest on other state and local bonds and securities on line 8b) Also report as interest any gain on the disposition of certain market discount bonds issued to you after July 18, 1984, to the extent of the accrued market discount
- U.S. Treasury bills, notes, and bonds
- U.S. Savings Bonds The interest is the yearly increase in the value of the bond. Interest on Series E or EE bonds can be reported using method **a** or **b** below

a. Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest; **OR**

b. Each year report on your return the yearly increase of the bonds' value

If you change to method **b**, report the entire increase in all your bonds from the date they were issued. Each year after report only the yearly increase Once you have used method **b** to report your interest, you must continue to do so for all your U.S. Savings Bonds.

Note: *If you receive for 1988 a Form 1099-INT for U S Savings Bond interest, which includes amounts you reported before 1988, see Pub 550.*

- Original Issue Discount (OID) This is the difference between the issue price of a debt instrument and the stated redemption price at maturity If the instrument was issued at a discount after May 27, 1969 (or for certain noncorporate instruments after July 1, 1982), include in your interest income the discount for the part of the year you held it

If you bought a corporate debt instrument at original issue and held it for all of 1988 or the part of 1988 that it was outstanding, include in interest income the total OID from Form 1099-OID If you bought a corporate instrument after its original issue, or if you did not hold it for all

of 1988, get **Pub. 1212**, List of Original Issue Discount Instruments, for information on how to figure your taxable OID If you held a noncorporate debt instrument (such as a zero coupon U S Treasury-backed security) during 1988, see Pub 1212 to figure your taxable OID

If you had DID for 1988, but did not receive Form 1099-OID, or if the price you paid for the instrument is more than the issue price plus accumulated OID, see Pub 1212 It provides total OID on the instruments listed and gives computational information

Also include in your interest income any other periodic interest shown on Form 1099-OID

Line 8b

Tax-Exempt Interest Income

If you received any tax exempt interest income (such as interest on certain state and municipal bonds), that interest must be reported on your return Enter the total tax exempt interest you received in 1988 on line 8b Also, report any exempt-interest dividends you received as a shareholder in a mutual fund or other regulated investment company **Do not** include this interest in your total income on line 23

Note: *Interest earned on your IRA account is not tax-exempt interest for purposes of completing line 8b Do not include this interest on line 8b IRA interest is tax deferred interest and is taxable when you receive IRA distributions*

Line 9

Dividends

Dividends are distributions of money, stock, or other property that corporations pay to stockholders They also include dividends you receive through a partnership, an S corporation, or an estate or trust Payers include nominees or other agents Generally, the payer will send you a **Form 1099-DIV** for these dividends

If you received, as a nominee, dividends that actually belong to someone else, see Schedule B instructions on page 27

Caution: *Be sure to give each payer of dividends your correct social security number Otherwise, the payer may have to withhold 20% of the dividend income You may also be subject to penalties*

If the total dividends, including capital gain and nontaxable distributions, are more than $400, first fill in Schedule B (see page 27 of the instructions) If you received $400 or less in dividends, include only the ordinary dividends on line 9

Dividends Include:

- **Ordinary dividends.** Assume that any dividend you receive is an ordinary dividend unless the payer tells you otherwise Form 1099-DIV shows gross dividends in Box 1 To figure the amount of "ordinary dividends," subtract any capital gain distributions (Box 3) and any nontaxable distributions (Box 5) from gross dividends
- **Capital gain distributions.** If you have other capital gains or losses, also enter your capital gain distributions on Schedule D If you don't need Schedule D to report any other gains or losses, enter your capital gain distributions on Form 1040, line 14
- **Nontaxable distributions.** Some distributions are nontaxable because they are a return of your cost They will not be taxed until you recover your cost You must reduce your cost (or other basis) by these distributions After you get back all of your cost (or other basis), you must report these distributions as capital gains

Note: *Generally, payments from a money market fund are dividends*

Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid
- Amounts paid on deposits or accounts from which you could withdraw your money, such as mutual savings banks, cooperative banks, and credit unions Remember to report these amounts as interest on line 8a

Line 10

Taxable Refunds of State and Local Income Taxes

If you received a refund (or credit or offset) of state or local income taxes in 1988 that you paid and deducted before 1988, you may have to report all or part of this amount as income if your itemized deduction for state and local income taxes in the year you paid the taxes resulted in a tax benefit You may receive **Form 1099-G**, or similar statement, showing the refund

Any part of a refund of state or local income taxes paid before 1988 that you were entitled to receive in 1988 but chose to apply to your 1988 estimated state income tax is considered to have been received in 1988

Do not report the refund as income if it was for a tax you paid in a year for which you did not itemize deductions on Schedule A (Form 1040), or it was for a year in which you filed Form 1040A or Form 1040EZ

If the refund was for a tax you paid in a year for which you itemized deductions on Schedule A, use the worksheet on this page to figure the amount, if any, you must report as income for 1988

However, see **Recoveries** in **Pub. 525**, Taxable and Nontaxable Income, instead of using the worksheet on this page if any of the following applies

- The refund you received in 1988 is for a tax year other than 1987
- You received a refund (other than an income tax refund, such as a real property tax refund) in 1988 of an amount you deducted or credit you claimed in an earlier year
- Your 1987 taxable income was less than zero
- Your last payment of 1987 estimated state income tax was made in 1988
- You were liable for the alternative minimum tax in 1987
- You could not deduct the full amount of the credits you were entitled to in 1987 because the total credits exceeded the tax shown on your 1987 Form 1040, line 39
- You could be claimed as a dependent by someone else in 1987

Worksheet—see line 10 instructions on this page (Keep for your records)

1. Enter the income tax refund from **Form(s) 1099-G** (or similar statement) _____
2. Enter the amount from your 1987 Schedule A line 26 _____
3. Enter on line 3 the amount shown below for the filing status you claimed on your 1987 Form 1040 But if you were 65 or older or blind at the end of 1987, enter on line 3 the amount from the chart on page 17 labeled "Standard Deduction for People Age 65 or Older OR Blind" that applies to you
   - Single or Head of household, enter $2,540
   - Married filing jointly or Qualifying widow(er), enter $3,760
   - Married filing separately enter $1,880

   _____
4. Subtract line 3 from line 2 Enter the result (but not less than zero) _____
5. **Taxable part of your refund.** Compare the amounts on lines 1 and 4 above, and enter the **smaller** of the two amounts here and on Form 1040, line 10 _____

Line 11

Alimony Received

Enter amounts you received as alimony or separate maintenance You must let the person who made the payments know your social security number If you do not provide this information to the payer, you may have to pay a $50 penalty For more details, get **Pub. 504**, Tax Information for Divorced or Separated Individuals

If you received payments under a divorce or separation instrument executed after 1984, see the instructions for line 29 on page 15 for information on the rules that apply in determining whether these payments qualify as alimony

Line 14

Capital Gain Distributions

If you do not need Schedule D for other capital transactions, enter your capital gain distributions on line 14

Line 15

Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the instructions for **Form 4797**. Enter the ordinary gain or (loss) from Part II of Form 4797

Lines 16a and 16b

IRA Distributions

Use lines 16a and 16b to report individual retirement arrangement (IRA) distributions you received This includes regular distributions, premature distributions, rollovers, and any other money or property that you received from your IRA account or annuity Generally, you will receive either a **Form 1099-R** or a **Form W-2P** showing the amount of your distribution. IRA distributions that you must include in income are taxed at the same rate as the other income on your return You may not

use the special averaging rule that applies to lump sum distributions from qualified employer plans If your distribution is fully taxable enter it on line 16b, no entry is required on line 16a If only part of your distribution is taxable enter the total amount of the distribution on line 16a, enter the taxable part on line 16b If you made nondeductible contributions or rolled your IRA distribution over into another IRA, see below

Note: *If you received a premature or excess distribution, you may have to pay an additional tax Get Form 5329.*

Nondeductible Contributions. If you received an IRA distribution in 1988 and you made any nondeductible contributions to your IRA, part of your distribution may be nontaxable Figure the nontaxable part of the distribution on **Form 8606**, Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions Follow the instructions for Form 8606, line 15, to figure the taxable part to enter on Form 1040, line 16b Be sure to also enter the total amount of the distribution on line 16a

Rollover Distributions. A rollover is a tax-free transfer of cash or other assets from one retirement program to another Use lines 16a and 16b to report a rollover from one IRA to another IRA But do not use lines 16a or 16b to report a rollover from a qualified employer's plan to an IRA, use lines 17a and 17b instead

Enter the total distribution on line 16a If the total on line 16a was rolled over, enter zero on line 16b Otherwise, enter the part that was not rolled over on line 16b

For more details, get **Pub. 590**, Individual Retirement Arrangements (IRAs)

Lines 17a and 17b

Pensions and Annuities

Use lines 17a and 17b to report pension and annuity income you received Also, use these lines to report distributions from profit-sharing plans, retirement plans and employee-savings plans See below for information on rollover distributions and lump-sum distributions In general, you should receive a **Form W-2P** or **Form 1099-R** showing the amount of your pension or annuity Be sure to attach Form W 2P to Form 1040

Do not use lines 17a and 17b to report social security or railroad retirement benefits shown on **Forms 55A-1099** and **RRB-1099**. Instead, see the instructions for lines 21a and 21b

Fully Taxable Pensions and Annuities

Your pension or annuity payments are fully taxable if

- you did not contribute to the cost of your pension or annuity, or
- you got back tax-free your entire cost before 1988

Fully taxable pensions and annuities also include military retirement pay shown on Form W-2P, and any taxable railroad retirement benefits from Box 12 of **Form RRB-W-2P**. If you received Form RRB-W-2P and an amount is shown in Box 13 of your form, get **Pub. 575**, Pension and Annuity Income, to see how to report your benefits

If your pension or annuity is fully taxable enter it on line 17b, no entry is required on line 17a

For information on military disability pensions, get **Pub. 525**, Taxable and Nontaxable Income

Other Pensions and Annuities

a. Annuity Starting Date Was After December 31, 1987.—If your annuity starting date was after December 31, 1987, and your Form W-2P does not show a taxable part of your pension or annuity, you may use the General Rule explained in **Pub. 575** or **Pub. 721**, Comprehensive Tax Guide to U S Civil Service Retirement Benefits, to figure the taxable part If you choose to, you may submit a ruling request to IRS before the due date of your return (including extensions), and IRS will figure the taxable part for you See Pub 575 for details on how to do this

In some cases, you may be able to use a simpler method to figure the taxable part of your pension or annuity Pubs 575 and 721 explain who can use the simpler method and how to figure the taxable part of the pension or annuity using this method The simpler method will usually result in about the same amount of pension or annuity being taxed each year as under the General Rule or as figured by IRS

If your Form W-2P shows a taxable amount and the payer tells you that this amount was determined using the simpler method, you may report on line 17b the taxable amount shown on the W 2P But if you are a beneficiary and are entitled to a death benefit exclusion (see **Beneficiaries—Death Benefit Exclusion** below), get Pub 575 or 721 to figure the taxable amount to report on line 17b

b. Annuity Starting Date Was After July 1, 1986, and Before January 1, 1988.—If your annuity starting date was after July 1, 1986, and before January 1, 1988, and your Form W-2P does not show the taxable part of your pension or annuity you may continue to use the General Rule explained in Pub 575 or 721 if you used this method for 1987 Or if you had IRS figure the taxable part of your pension or annuity, you can continue to use the figure IRS provided you

But if you choose to, you may be able to change to the simpler method that applies to people whose annuity starting date began after December 31, 1987 To see if you can change to the simpler method for 1988, get Pub 575 or 721

c. Annuity Starting Date Was Before July 2, 1986.—If your annuity starting date was **before** July 2, 1986, and your Form W 2P does not show the taxable part of your pension or annuity, you may use the worksheet on this page to figure the taxable part

To use the worksheet, you *must meet* both of the following requirements

- Both you and your employer contributed to the pension or annuity
- The total amount you expected to receive within 36 months from the date of your first annuity payment equaled or exceeded your full cost (Your cost includes amounts you contributed and amounts your employer contributed that you reported as income)

If you do not meet both of the above requirements, see Pub 575 or 721 to figure the taxable part

Pension and Annuity Worksheet
(Keep for your records)

1a Enter your cost _____
b Cost recovered in prior years _____
c. Subtract line 1b from line 1a _____
2 Amount received this year Also enter this amount on Form 1040 line 17a _____
3. Enter amount from line 1c above _____
4 **Taxable amount** Subtract line 3 from line 2 Enter the result (but not less than zero) Also enter this amount on Form 1040, line 17b _____

Note *If you had more than one pension or annuity that is not fully taxable, figure the taxable part of each separately Enter the total of the taxable parts on Form 1040 line 17b*

Caution: *Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions and may also be subject to penalties For details, see Pub 575*

Beneficiaries—Death Benefit Exclusion

If you are the beneficiary of a deceased employee or deceased former employee, amounts paid to you by, or on behalf of an employer because of the death of the employee may qualify for a death benefit exclusion of up to $5,000 If you are entitled to this exclusion, add it to the cost of the pension or annuity

Special rules apply if you are the survivor under a joint and survivor's annuity For details, get **Pub. 575**

Rollover Distributions. A rollover is a tax free transfer of cash or other assets from one retirement program to another Use lines 17a and 17b to report a rollover from one qualified employer's plan to another, or to an IRA

Rollover distributions are generally reported to you on Form 1099 R or Form W-2P Enter the total distribution (excluding your nondeductible contribution, if any) on line 17a If the total on line 17a was rolled over, enter zero on line 17b Otherwise, enter the part that was not rolled over as ordinary income on line 17b Special rules apply to partial rollovers of property

For details on rollovers, including distributions under qualified domestic relations orders, get Pub 575

Lump-Sum Distributions. If you received a lump sum distribution from a profit sharing or retirement plan, you should receive a **Form 1099-R** showing the amount of the distribution Enter the total of the ordinary income part and the capital gain part on line 17b, no entry is required on line 17a But you may pay less tax on this distribution if you were age 50 or older on January 1, 1986, and you meet certain other conditions For details, get **Form 4972**, Tax on Lump-Sum Distributions If you use Form 4972 to figure the tax on any part of your distribution, **do not** include that part of the distribution on line 17a or b of Form 1040

Caution: *If you received a premature or excess distribution from a qualified retirement plan, you may owe additional tax For details, get Form 5329*

Line 20

Unemployment Compensation

Unemployment compensation (insurance) is fully taxable By January 31, 1989, you should receive a **Form 1099-G** showing the total unemployment compensation paid to you during 1988

Use line 20 to report the unemployment compensation you received If you received an overpayment of unemployment compensation in 1988 and you repaid it in 1988, subtract the amount you repaid from the total amount you received and enter the result on line 20 Also write "repayment" and the amount you repaid on the dotted line to the left of line 20

Note: *Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages Report them on line 7*

Lines 21a and 21b

Social Security Benefits and Equivalent Railroad Retirement Benefits

Social security benefits you receive may be taxable in some instances Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a tier 1 railroad retirement benefit treated as a social security benefit Social security benefits do not include any Supplemental Security Income (SSI) payments

By January 31, 1989, you should receive a **Form SSA-1099** showing the total social security benefits paid to you in 1988 and the amount of any social security benefits you repaid in 1988 If you received railroad retirement benefits treated as social security, you should receive **Form RRB-1099.** For more details, get **Pub. 915,** Social Security Benefits and Equivalent Railroad Retirement Benefits

Use the worksheet below to see if any of your benefits are taxable, but **please note** the following before you begin it

- You will first need to complete Form 1040, lines 7 through 20, 22, and 30 if they apply to you to figure the taxable part, if any, of your benefits

Caution: *If you made IRA contributions for 1988 and you were covered by a retirement plan at work, you may need to make a special computation See Pub 590 for details*

- If you repaid any benefits in 1988, and your total repayments (Box 4) were more than your total benefits for 1988 (Box 3), **do not** use the worksheet below None of your benefits are taxable for 1988 But you may be able to take an itemized deduction for part of the excess repayments if they were for benefits you included in gross income in an earlier year Get Pub 915
- If you file **Form 2555,** Foreign Earned Income, or **Form 4563,** Exclusion of Income For Bona Fide Residents of American Samoa, or you exclude income from sources within Puerto Rico, use the worksheet in Pub 915 instead

Social Security Benefits Worksheet (Keep for your records)

Check only one box

- ☐ **A.** Single—enter $25,000 on line 7 below
- ☐ **B.** Married filing a joint return—enter $32,000 on line 7 below
- ☐ **C.** Married not filing a joint return and lived with your spouse at any time during the year—enter -0- on line 7 below
- ☐ **D.** Married not filing a joint return and **DID NOT** live with your spouse at any time during the year—enter $25,000 on line 7 below

1. Enter the total amount from **Box 5 of ALL your Forms SSA-1099 and Forms RRB-1099** (if applicable) _____

Note: *If line 1 is zero or less, stop here none of your benefits are taxable Otherwise, go on to line 2*

2. Divide the amount on line 1 by 2 _____
3. Add the amounts on Form 1040, lines 7, 8a, 8b through 20, plus line 22 Do not include here any amounts from lines 16a or 17a of Form 1040, or from Box 5 of Forms SSA 1099 or RRB 1099 _____
4. Add lines 2 and 3 _____
5. Enter the amount from Form 1040, line 30 _____
6. Subtract line 5 from line 4 _____
7. Enter { $25,000 if you checked Box **A** or **D**, or / $32,000 if you checked Box **B**, or / -0- if you checked Box **C** } _____
8. Subtract line 7 from line 6 Enter the result, but not less than zero _____

Note: *If line 8 is zero, stop here None of your benefits are taxable Do not enter any amounts on lines 21a or 21b unless you checked Box D above If you checked box D, enter -0- on line 21b and write "D" on the dotted line to the left of line 21b If line 8 is more than zero, go on to line 9*

9. Divide the amount on line 8 by 2 _____
10. **Taxable social security benefits.**
    - First, enter on Form 1040, line 21a, the amount from line 1 above
    - Then, compare the amounts on lines 2 and 9 above, and enter the **smaller** of the two amounts on this line and also on Form 1040, line 21b _____

Note: *If part of your benefits are taxable for 1988* ***AND*** *they include benefits paid in 1988 that were for 1984 through 1987, you may be able to reduce the taxable amount shown on the worksheet Get Pub 915 for details*

Line 22

Other Income

Use line 22 to report any income you can't find a place for on your return or other schedules List the type and amount of income If necessary, show the required information on an attached statement For more information, see **Miscellaneous Taxable Income** in **Pub. S25,** Taxable and Nontaxable Income

Caution: *Do not report any income from self-employment on line 22 If you do have any income from self-employment, you must use Schedule C or Schedule F Amounts your employer paid you for business expenses that are more than you spent for the actual business expenses should be added to the wages shown on line 7 unless they were already included on your Form W-2*

Examples of income to be reported on line 22 are

- Prizes, awards, and gambling winnings Proceeds from lotteries, raffles, etc , are gambling winnings You must report the full amount of your winnings on this line You cannot offset losses against winnings and report the difference

If you had any gambling losses, you may take them as an itemized deduction on Schedule A However, you cannot deduct more losses than the winnings you report

- Amounts you received for medical expenses or other items such as real estate taxes that you deducted in an earlier year if they reduced your tax See Pub 525 for information on how to figure the amount to include in income
- Amounts you recovered on bad debts that you deducted in an earlier year
- Fees received for jury duty and precinct election board duty

Net Operating Loss. If you had a net operating loss in an earlier year to carry forward to 1988, enter it as a minus figure on line 22 Attach a statement showing how you figured the amount Get **Pub. 536,** Net Operating Losses, for more details.

Adjustments to Income

Line 24

Reimbursed Employee Business Expenses

Use line 24 to deduct only those business expenses for which your employer (or a third party) paid or reimbursed you Deduct your unreimbursed business expenses on Schedule A, line 20 You must complete and attach **Form 2106,** Employee Business Expense, to figure your deduction

Exception. Do not complete Form 2106 if

You accounted to your employer for your expenses by means of an account book, diary, or similar statement, your expenses equaled your reimbursement, and the reimbursement was not included on your W 2 form Do not deduct these expenses or report the reimbursement

For details, see **Tele-Tax Information** in the index (topic no 251) or get **Pub. 463,** Travel, Entertainment, and Gift Expenses, or get **Pub. 917,** Business Use of a Car

Performing Artists. If you worked in the performing arts for more than one employer, you may be able to deduct your

reimbursed and unreimbursed expenses related to that work on line 24 For details get **Pub. S29,** Miscellaneous Deductions

Lines 25a and 25b

Individual Retirement Arrangement (IRA) Deduction

Use line 25a to deduct amounts contributed to your IRA If you file a joint return, use line 25b for your spouse's IRA

Caution: *If you are covered by a retirement plan (qualified pension, profit-sharing, annuity, Keogh, SEP, etc) at work or through self-employment, your IRA deduction may be reduced or eliminated But you can still make contributions to an IRA even if you can't deduct them In any case, the income earned on your IRA is not taxed until it is paid to you*

Were You Covered by an Employer Retirement Plan?

The "Pension Plan" box in Box S of your Form W-2 should be checked if you were covered by a plan for 1988 This box should be checked even if you are not vested in the plan You are also covered by a plan if you are self-employed and have a Keogh retirement plan

If you were married filing a separate return and not covered by a plan but your spouse was, you are not considered to be covered Get **Pub. 590,** Individual Retirement Arrangements (IRAs), for details

Caution: *A pending tax law change would treat married persons filing separate returns as covered by a plan if their spouse was covered and they lived together at any time in 1988 Get* ***Pub. 553*** *to find out whether this law was passed*

Not Covered by a Retirement Plan. If you (and your spouse if filing a joint return) were not covered by a plan at work, use Worksheet 1 to figure your IRA

Covered by a Retirement Plan. If you (or your spouse if filing a joint return) were covered by a plan at work, the chart on this page will tell you if you can deduct your IRA and, if you can, which worksheet to use

Nondeductible Contributions. You can make nondeductible contributions to your IRA You can do this even if you are allowed to deduct your contributions Your nondeductible contribution is the difference between the total allowable contributions to your IRA and the amount you deduct

Example: You file as single and paid $2,000 into your IRA You were covered by a retirement plan and your modified AGI is over $35,000 (all wages) You can't deduct the $2,000 But you can treat it as a nondeductible contribution

If you use **Worksheet 1,** you can treat all or part of line 3 (or line 8 if it applies) as a nondeductible contribution If you use **Worksheet 2,** you can treat all or part of lines 9 and 10 (or lines 19 and 20 if they apply) as a nondeductible contribution

Use **Form 8606** to report all contributions you treat as nondeductible Also use Form 8606 to figure the basis (nontaxable part) of your IRA and the taxable part of any IRA distribution If you and your spouse each make nondeductible contributions, each of you must complete a separate Form 8606

Note: *If you file* ***Form 2555,*** *Foreign Earned Income, get Pub 590 to figure your IRA*

Before you do the worksheet that applies to you, please note

- If you made contributions to your IRA in 1988 that you deducted in 1987, **do not** include them in the worksheet
- If you make contributions to your IRA in 1989 (by April 17) for 1988, include them in the worksheet
- If the total of your IRA deduction plus any nondeductible contributions is less than your total IRA contributions for 1988, see Pub 590 for special rules
- If you were married, you must file a joint return to deduct contributions to your **nonworking spouse's** IRA for 1988 A **nonworking spouse** is one who had no wages or other earned income in 1988 Also, a working spouse may choose to be treated as having no earned income for figuring the deduction
- Your IRA deduction can't be more than the total of your wages and other earned income
- Do not include rollover contributions in figuring your deduction See the instructions for lines 16a and 16b on page 12 for more details on rollover contributions
- Do not include trustee's fees that were billed separately and paid by you for your IRA These fees can be deducted only as an itemized deduction on Schedule A
- Alimony payments received under certain divorce or separation instruments are considered earned income for purposes of the IRA deduction See Pub 590
- You will first need to complete Form 1040 through line 24, and lines 26 through 29, if they apply to you, to figure your IRA deduction and, if applicable, nondeductible contributions
- You should receive a statement by May 31, 1989, showing all contributions made to your IRA for 1988

Note: *If you were married and both spouses worked and both had IRAs, figure each spouse's deduction separately*

IRA Worksheet 1 (Keep for your records)

1. Enter IRA contributions you made for 1988, but **do not** enter more than $2,000 _____
2. Enter your wages and other earned income from Form 1040, minus any deduction you claim on Form 1040, line 27 (Do not include your spouse's income and do not reduce your wages by losses from self employment) _____
3. Compare the amounts on lines 1 and 2 and enter the **smaller** of the two amounts on line 3 Enter on Form 1040, line 25a or 25b, whichever applies, the amount on line 3 you choose to deduct If contributions were made to your nonworking spouse's IRA, go on to line 4 _____

Nonworking Spouse's IRA

Complete lines 4 through 8 ONLY if contributions were made to an IRA for your nonworking spouse (as defined on this page).

4. Compare the amount on line 2 to $2,250 Enter the **smaller** of the two amounts _____
5. Enter the amount from line 3 _____
6. Subtract line 5 from line 4 _____
7. Enter IRA contributions made for 1988 for your nonworking spouse, but **do not** enter more than $2,000 _____
8. Compare the amounts on lines 2, 6 and 7 and enter the **smallest** of the three amounts on line 8 Enter on Form 1040, line 25b, the amount on line 8 you choose to deduct _____

If you (or your spouse if filing a joint return) **were covered by a retirement plan and—**

Your filing status is:	and your modified AGI* is:	You can take:
Single or Head of Household	$25,000 or less	Full IRA deduction (use **Worksheet 1**)
	Over $25,000 but less than $35,000	Partial IRA deduction (use **Worksheet 2**)
	$35,000 or more	No IRA deduction (see Nondeductible Contributions)
Married Filing Jointly or Qualifying Widow(er) with dependent child	$40,000 or less	Full IRA deduction (use **Worksheet 1**)
	Over $40,000 but less than $50,000	Partial IRA deduction (use **Worksheet 2**)
	$50,000 or more	No IRA deduction (see Nondeductible Contributions)
Married Filing Separately	Over $ -0- but less than $10,000	Partial IRA deduction (use **Worksheet 2**)
	$10,000 or more	No IRA deduction (see Nondeductible Contributions)

****Modified AGI (adjusted gross income)*** *is the amount on Form 1040, line 23, minus the total of any deductions claimed on Form 1040, lines 24 and 26 through 29, and any write-in amount included on line 30.*

IRA Worksheet 2 (Keep for your records)

1 If you checked Filing Status box: 1 or 4 enter $35,000; 2 or 5 enter $50,000; 3 enter $10,000 ____

2 Enter the amount from Form 1040, line 23 ____

3 Add amounts on Form 1040, lines 24 26 through 29 and any write in amount included on line 30 ____

4 Subtract line 3 from line 2 If the result is equal to or larger than the amount on line 1 none of your IRA contributions are deductible Stop here if you want to make a nondeductible IRA contribution see Form 8606 ____

5 Subtract line 4 from line 1. **If the result is $10,000 or more, stop here, complete Worksheet 1** ____

6 Multiply the amount on line 5 by 20% (.20) If the result is not a multiple of $10 round it up to the next multiple of $10 (for example round $490 30 to $500) But if the result is less than $200 enter $200 Go on to line 7 ____

Deductible IRA contributions

7 Enter your wages and other earned income from Form 1040 minus any deduction you claim on Form 1040 line 27 (Do not include your spouse's income and do not reduce your wages by losses from self employment) ____

8 Enter IRA contributions you made for 1988, but **do not** enter more than $2,000 ____

9 Enter the **smallest** of lines 6, 7 or 8 here This is your **maximum IRA deduction** Enter on Form 1040, line 25a or 25b, whichever applies, the amount on line 9 you choose to deduct (If line 8 is more than line 9 go on to line 10) ____

Nondeductible IRA contributions

10 Subtract line 9 from line 7 or line 8 whichever is **smaller** Enter the result Enter on your Form 8606 line 5 the amount on line 10 you choose to make nondeductible ____

If contributions were made to an IRA for your nonworking spouse (as defined on page 14), complete lines 11 through 20

Deductible IRA contributions for nonworking spouse

11 Compare the amount on line 7 to $2 250 Enter the **smaller** of the two amounts ____

12 Add line 9 and the amount on line 10 you choose to make nondeductible ____

13 Subtract line 12 from line 11 If the result is zero or less stop here you cannot make deductible or nondeductible IRA contributions for your nonworking spouse ____

14 Enter the **smallest** of (a) IRA contributions made for 1988 for your nonworking spouse (b) $2,000, or (c) the amount on line 13 ____

15 Multiply the amount on line 5 by 22 5% (.225) If the result is not a multiple of $10 round it up to the next multiple of $10 But if the result is less than $200 enter $200 on line 15 ____

16 Enter the amount from line 9 ____

17 Subtract line 16 from line 15 ____

18 Compare the amounts on lines 14 and 17 Enter the **smaller** of the two amounts ____

19 Compare the amounts on lines 6, 7 and 18 and enter the **smallest** of the three amounts on line 19 This is the **maximum deduction** for contributions to your nonworking spouse's IRA Enter on Form 1040, line 25b the amount on line 19 you choose to deduct (If line 14 is more than line 19, go on to line 20) ____

Nondeductible IRA contributions for nonworking spouse

20 Subtract line 19 from line 14 Enter the result Enter on your spouse's Form 8606, line 5 the amount from line 20 you choose to make nondeductible ____

Line 26

Self-Employed Health Insurance Deduction

If you were self employed and had a net profit for the year, you may be able to deduct part of the amount paid for health insurance on behalf of yourself, your spouse, and dependents But you may not take the deduction if you were eligible to participate in any subsidized health plan maintained by your or your spouse's employer Also, if you had employees, you may not take the deduction unless you provided nondiscriminatory health insurance coverage to your employees For more details, get **Pub. 535**, Business Expenses

If you qualify to take the deduction, use the worksheet below to figure the amount you can deduct But if either of the following applies, use the worksheet in Pub 535 instead of the one below

1. You file **Form 2555** or **Form 4563**, or you exclude income from sources within Puerto Rico
2. You claim a net operating loss deduction

Worksheet (Keep for your records)

1. Enter amount paid for health insurance for 1988 for you, your spouse, and dependents ____
2. Percentage used to figure the deduction × 25
3. Multiply the amount on line 1 by the percentage on line 2 ____
4. Enter your net profit from self employment and any other earned income* minus any deduction you claim on Form 1040, line 27 ____
5. Compare the amounts on lines 3 and 4 Enter the **smaller** of the two amounts here and on Form 1040, line 26 (**DO NOT** include this amount in figuring any medical expense deduction on Schedule A (Form 1040) ____

**Earned income* includes net earnings and gains from the sale, transfer, or licensing of property you created It does not include capital gain income

Line 27

Keogh Retirement Plan and Self-Employed SEP Deduction

If you are self employed or a partner, deduct payments to your Keogh (HR 10) plan or SEP on line 27 Deduct payments for your employees on Schedule C or F

Caution: *You must be self employed to claim the Keogh deduction There are two types of Keogh plans*

- A **defined-contribution plan** has a separate account for each person Benefits are based on the amount paid to each account
- Payments to a **defined-benefit plan** are determined by the funds needed to give a specific benefit at retirement If you deduct payments to this kind of plan, write "DB" to the left of line 27

Get **Pub. 560**, Self Employed Retirement Plans, for more information, including limits on the amount you can deduct

Line 28

Penalty on Early Withdrawal of Savings

The **Form 1099-INT** or, if applicable, **Form 1099-OID** given to you by your bank or savings and loan association will show the amount of any penalty you were charged because you withdrew funds from your time savings deposit before its maturity Enter this amount on line 28 (Be sure to include the interest income on Form 1040, line 8a)

Line 29

Alimony Paid

You can deduct periodic payments of alimony or separate maintenance made under a court decree You can also deduct payments made under a written separation agreement or a decree for support Don't deduct lump sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support

For details, see **Tele-Tax Information** in the index (topic no 253) or get **Pub. 504**, Tax Information for Divorced or Separated Individuals

You must enter the recipient's last name, if different than yours, and his or her social security number in the space provided on line 29 If you don't, you may have to pay a $50 penalty and your deduction may be disallowed If you paid alimony to more than one person, enter the social security number and last name, if applicable, of one of the recipients Show the required information, including the amount paid, for the other recipient(s) on an attached statement Enter your total payments on line 29

Divorce or Separation Instruments Executed After 1984. Generally, you may deduct any payment made to, or on

behalf of, your spouse or former spouse under a divorce or separation instrument executed after 1984 if

- the instrument does not prevent the payment from qualifying as alimony, **and**
- you and your spouse or former spouse did not live together when the payment was made if you were separated under a decree of divorce or separate maintenance **and**
- you are not required to make any payment after the death of your spouse or former spouse, **and**
- the payment is not treated as child support

These rules also apply to certain instruments modified after 1984 Other rules apply if you paid more than $10,000 in any calendar year For more details, see Pub 504

Line 30

Total Adjustments

Add lines 24 through 29 and enter the total on line 30 Also include in the total on line 30 any of the following adjustments

Forestation/Reforestation Amortization. If you can claim a deduction for amortization of the costs of forestation or reforestation and you do not have to file Schedule C or Schedule F for this activity, include your deduction in the total on line 30 Write "Reforestation" in the space to the left of the total

Repayment of Sub-Pay Under the Trade Act of 1974. If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became eligible for payments under the Trade Act of 1974, include the amount you repaid in 1988 in the total on line 30 Write "Sub-pay TRA" in the space to the left of the total Or, you may be able to claim a credit against your tax instead Get **Pub. 525**, Taxable and Nontaxable Income, for more details

Line 31

Adjusted Gross Income

If line 31 is less than zero, you may have a net operating loss that you can carry to another tax year If you carry the loss back to earlier years, see **Form 1045**, Application for Tentative Refund If you do not wish to carry back a net operating loss, you may elect to carry the loss over to future years You must attach the election to your return For more information get **Pub. 536**, Net Operating Losses

IRS Will Figure Your Tax and Some of Your Credits

If you want us to, we will figure your tax for you If you paid too much, we will send you a refund If you did not pay enough, we will bill you for the balance You will not be charged interest or the penalty for late payment if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later

We can figure your tax if you meet **all** of the conditions described below

- All of your income for 1988 was from one or more of these sources
  - a. Salaries, wages, and tips
  - b. Interest
  - c. Dividends
  - d. Pensions or annuities
- You do not itemize deductions
- You do not file **Form 8615**, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000
- You do not file **Form 2555**, Foreign Earned Income
- Your adjusted gross income (line 31) is not more than $50,000
- You (and your spouse if you are filing a joint return) sign and date your return and mail it by April 17, 1989
- You do not want any of your refund applied to next year's estimated tax
- You give us enough information so that we can figure the tax Please read the following instructions

a. Fill in the parts of your return through line 37 that apply to you The Line By-Line instructions that start on page 6 explain how to fill in your return

b. Read lines 39 through 61 Fill in the lines that apply to you, but do not fill in the Total lines Please be sure to fill in line 54 for Federal income tax withheld See the instructions below if you want us to figure your credit for the elderly or the disabled, or earned income credit

c. If you are filing a joint return, use the space under the words "Adjustments to Income" on the front of your return to show your taxable income and your spouse's taxable income separately

d. Fill in any forms or schedules asked for on the lines you completed, and attach them to the return when you file it

We will figure the following credits too. Fill in your return through line 37 as explained above Follow the instructions below and sign, date, and mail your return before the due date

Credit for the Elderly or the Disabled.—If you can take this credit, attach **Schedule R** to your return and write "CFE" on the dotted line to the left of line 42

Check the box on Schedule R for your filing status and age, and fill in lines 11 and 13 if applicable Also, complete Part II if applicable

Earned Income Credit.—If you qualify to take this credit (see the instructions for line 56 on page 19), write "EIC" on line 56

Tax Computation Lines 33a through 33c

Line 33a. If you were age 65 or older or blind, check the appropriate boxes on line 33a If you were married and checked the box on line 6b on page 1 of Form 1040 and your spouse was 65 or older or blind, also check the appropriate boxes for your spouse

Age and blindness are determined as of December 31 However, if your 65th birthday was on January 1, 1989, you should check the "65 or older" box on your 1988 return

Proof of Blindness If you were completely blind as of December 31, attach a statement to your return to this effect

In cases of partial blindness, you must attach to your return each year a certified statement from an eye physician or registered optometrist that

1. you cannot see better than 20/200 in the better eye with glasses or contact lenses, **OR**
2. your field of vision is not more than 20 degrees

If this eye condition will never improve beyond the standards in 1 or 2, you may submit a certified opinion to this effect from an examining eye physician You must attach this certification to your return only once In later years you can just include a statement referring to it

Line 33b If someone can claim you as a dependent, check the box on line 33b If you do not itemize your deductions, be sure to use the **Standard Deduction Worksheet for Dependents** on page 17 to figure the amount to enter on line 34 below

Line 33c. Check this box if your spouse itemizes deductions on a separate return or if you are a dual status alien If you were a dual status alien and you file a joint return with your spouse who was a U S citizen or resident at the end of 1988 and you and your spouse agree to be taxed on your combined worldwide income, **do not** check the box

Line 34

Standard Deduction OR Itemized Deductions

You must decide whether to take the standard deduction or itemize your actual deductions for charitable contributions, medical expenses, interest, taxes, etc Your Federal income tax will be less if you take the **larger** of

- your standard deduction (figured on page 17), or
- your total itemized deductions reportable on **Schedule A** (Form 1040)

The standard deduction has increased for most people Even if you itemized last year, be sure to read page 17 to see if the standard deduction will benefit you in 1988

If you take the standard deduction, find the correct amount for you and enter it on line 34

If you itemize your deductions, complete and attach Schedule A and enter on Form 1040, line 34, the amount from Schedule A, line 26

Itemizing for State Tax Purposes. If you itemize even though your itemized deductions are less than the amount of your standard deduction, write "IE" (itemized elected) on the dotted line to the left of line 34

Line 38

Tax

To figure your tax, use one of the following methods

Tax Rate Schedules. You must use the Tax Rate Schedules to figure your tax if your taxable income is $50,000 or more The Tax Rate Schedules include a 33% rate to

*Caution: If you are married filing a separate return and your spouse itemizes deductions, or if you are a dual-status alien (you checked the box on **line 33c**), you **cannot** take the standard deduction even if you were 65 or older or blind*

Standard Deduction Chart for Most People

DO NOT use this chart if you were 65 or older or blind OR if someone can claim you as a dependent

If your Filing Status from page 1 is:	Your standard deduction is:
Single	$3,000
Married filing joint return or Qualifying widow(er) with dependent child	$5,000
Married filing separate return	$2,500
Head of household	$4,400

Standard Deduction Chart for People Age 65 or Older or Blind

If someone can claim you as a dependent, use the worksheet below, instead

Enter the number from the box on line 33a of Form 1040 ▶ [ ] *Caution: Do not use the number of exemptions from line 6e*

If your Filing Status from page 1 is:	and the number in the box above is	Your standard deduction is:
Single	1	$3,750
	2	4,500
Married filing joint return or Qualifying widow(er) with dependent child	1	$5,600
	2	6,200
	3	6,800
	4	7,400
Married filing separate return	1	$3,100
	2	3,700
	3	4,300
	4	4,900
Head of household	1	$5,150
	2	5,900

Standard Deduction Worksheet for Dependents

Use this worksheet ONLY if someone can claim you as a dependent (Keep for your records)

1. Enter your **earned income** (defined below) — 1. _____
2. Minimum amount — 2. $500
3. Compare the amounts on lines 1 and 2 Enter the larger of the two amounts — 3. _____
4. Enter the amount shown below for your filing status — 4. _____
   - Single, enter $3,000
   - Married filing separate return, enter $2,500
   - Married filing jointly or Qualifying widow(er) with dependent child, enter $5,000
   - Head of household, enter $4,400
5. **Standard deduction.**
   a. Compare the amounts on lines 3 and 4 Enter the **smaller** of the two amounts If under 65 and not blind, stop here, enter this amount on Form 1040, line 34 Otherwise, go on to line 5b — 5a. _____
   b. If 65 or older or blind, multiply the number entered on Form 1040, line 33a, by $750 ($600 if married or a qualifying widow(er) with dependent child) Enter the result — 5b. _____
   c. Add lines 5a and 5b Enter the total here and on Form 1040, line 34 — 5c. _____

Earned Income *includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed It also includes any amount received as a scholarship that you must include in your income Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 19*

cover the phase-out of the 15% tax rate for people with taxable incomes above a certain amount People with even higher incomes are required to use the worksheet that follows the Tax Rate Schedules to figure the phase-out of their deduction for personal exemptions

Form 8615. Form 8615 must generally be used to figure the tax for any child who was under **age 14** on January 1, 1989, and who had more than $1,000 of investment income (such as taxable interest or dividends) However, if neither of the child's parents was alive on December 31, 1988, do not use Form 8615 to figure the child's tax

Tax Table. If neither of the above conditions applies to you, you **MUST** use the Tax Table to find your tax. Be sure you use the correct column in the Tax Table After you have found the correct tax, enter that amount on line 38

Line 39

Additional Taxes

Check the box(es) on line 39 to report any of the additional taxes listed below

Form 4970, Tax on Accumulation Distribution of Trusts.

Form 4972, Tax on Lump-Sum Distributions.

Credits

Line 41

Credit for Child and Dependent Care Expenses

You may be able to take a credit on line 41 for payments you made for child and disabled dependent care while you (and your spouse if you were married) worked or looked for work

The credit is allowed if you kept up a home that included a child under age 15 or your dependent or spouse who could not care for himself or herself Use **Form 2441** to figure the amount of any credit

Please see Form 2441 for more information, including special rules for divorced or separated parents

Note: *If someone cared for your child or disabled dependent in your home, both you and the employee may have to pay a share of the social security tax on the employee's wages You may also have to pay Federal unemployment tax, which is for your employee's unemployment insurance For more details, see **Pub. 926,** Employment Taxes for Household Employers*

Line 42

Credit for the Elderly or the Disabled

You may be able to take this credit and reduce your tax if, by the end of 1988, you were

- age 65 or older, or
- under age 65, you retired on **permanent and total** disability, and you had taxable disability income in 1988

For more information, see the separate instructions for Schedule R Enter the credit on line 42

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on page 16

Line 43

Foreign Tax Credit

Form 1116 explains when you can take this credit for payment of income tax to a foreign country Also get **Pub. 514,** Foreign Tax Credit for Individuals Enter the credit from Form 1116 on line 43

Line 44

General Business Credit

Complete line 44 if you can take any of the five credits listed below Use the appropriate credit form (as described below) to figure the credit If you have only one credit, enter on line 44 the amount of the credit from the form Also, check the second box on line 44 and write in the form number for that credit

If you have two or more of these credits or a credit carryforward, you *must* also complete Form 3800 to figure the total credit and enter on line 44 the amount from Form 3800 Also be sure to check the box on line 44 for Form 3800

Form 3468, Computation of Investment Credit. This credit was generally repealed for property placed in service after 1985 For exceptions, see Form 3468

Form 5884, Jobs Credit. If you are a business employer who hires people who are members of special targeted groups, you may qualify for this credit Use Form 5884 to figure the credit Get **Pub. 572,** General Business Credit, for more details

Form 6478, Credit for Alcohol Used as Fuel. If you sell straight alcohol (or an alcohol mixture) at retail or use it as fuel in your trade or business, you may be able to take a credit for the alcohol used as fuel Use Form 6478 to figure the credit

Form 6765, Credit for Increasing Research Activities. You may be able to take a credit for research and experimental expenditures paid or incurred in carrying on your trade or business Use Form 6765 to figure the credit

Form 8586, Low-Income Housing Credit and **Form 8609,** Low-Income Housing Credit Allocation Certification If you owned a building that was part of a low-income housing project, you may be able to take this credit Use Form 8586 and Form 8609 to figure the credit

Line 45

Credit for Prior Year Minimum Tax

You may be able to reduce your 1988 tax by this credit if you paid alternative minimum tax in 1987 Get **Form 8801,** Credit for Prior Year Minimum Tax, to see if you qualify for the credit

Line 46

Add amounts on lines 41 through 45 and enter the total on line 46

Also include in the total on line 46 any of the following credits

Mortgage Interest Credit. You may be able to take a credit for part of the interest you paid on your home mortgage if you were issued a mortgage credit certificate by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or make improvements to your main home You must complete and attach **Form 8396,** Mortgage Interest Credit, to figure the amount of the credit to include in your total for line 46 On the dotted line next to this total, write "MIC" (mortgage interest credit) and show the amount

Credit for Fuel From a Nonconventional Source. A credit is allowed for the sale of qualified fuels produced from a nonconventional source See I R Code section 29 for a definition of qualified fuels, provisions for figuring the credit, and other special rules Attach a separate schedule showing how you figured the credit Include the credit in the total for line 46 On the dotted line next to this total, write "FNS" and show the amount

Other Taxes

Line 48

Self-Employment Tax

If you had self-employment income in 1988, and earned under $45,000 in wages from which social security tax or RRTA tax was withheld, you may have to pay self-employment tax Please see **Schedule SE** (Form 1040) and instructions If you have to pay self-employment tax, enter the amount from Schedule SE

Line 49

Alternative Minimum Tax

You may be liable for the alternative minimum tax if your AGI plus any of the items listed below and included on your return total more than

- $40,000 if married filing jointly or qualifying widow(er) with dependent child, or
- $30,000 if single or head of household, or
- $20,000 if married filing separately

1. Accelerated depreciation
2. Amortization of certified pollution-control facilities
3. Charitable contribution of appreciated capital gain property
4. Incentive stock options
5. Tax-exempt interest from private activity bonds or exempt-interest dividends from a regulated investment company
6. Intangible drilling costs
7. Depletion
8. Reserves for losses on bad debts of financial institutions
9. Circulation and research and experimental expenditures
10. Mining exploration and development costs
11. Installment sales of property
12. Tax shelter farm loss
13. Passive activity loss
14. Income from long-term contracts.

Get **Form 6251** and its instructions to see if you owe this tax

Line 50

Recapture Taxes

You may owe the tax computed on **Form 4255,** Recapture of Investment Credit, if you disposed of investment credit property or changed its use before the end of its useful life or recovery period See Form 4255 for details If you owe this tax, check the box for Form 4255 and enter any tax due on line 50

If you disposed of property (or there was a reduction in the qualified basis of the property) on which you took the low-income housing credit, you may owe the tax computed on **Form 8611,** Recapture of Low-Income Housing Credit See Form 8611 for more information If you owe this tax, check the box for Form 8611 and enter any tax due on line 50

Line 51

Social Security Tax on Tip Income Not Reported to Employer

If you received tips of $20 or more in any month and you did not report the full amount to your employer, you must pay the social security or railroad retirement (RRTA) tax on the unreported tips. If you reported the full amount to your employer but your employer did not withhold the social security or RRTA tax, you must pay it unless the rules discussed under **Uncollected Employee Social Security and RRTA Tax on Tips** (line 53) apply.

To figure the amount of social security tax on the tips, complete **Form 4137** and attach it to your Form 1040. Enter the tax on this line.

To determine the amount of RRTA tax on the tips, contact your nearest Railroad Retirement Board office. On line 51, enter the tax and on the dotted line next to it, write "RRTA."

Be sure all your tips are reported as income on Form 1040, line 7.

You may be charged a penalty equal to 50% of the social security tax due on tips you received and did not report to your employer.

Line 52

Tax on IRAs and Retirement Plans

You may owe this tax if: (1) you received any early distributions from your IRA, qualified employer plan, qualified annuity plan, or tax sheltered annuity plan; (2) you received any excess distributions from a plan mentioned in (1); (3) you made excess contributions to your IRA; or (4) you had excess accumulations in your IRA account or annuity. Get **Form 5329** and its instructions to see if you owe this tax. If you do, complete and attach Form 5329 and enter the total tax on line 52.

Line 53

Total Tax

Add lines 47 through 52. Put the total on line 53. Also include on line 53 any of the following that applies:

Section 72 Penalty Tax. If you are or were a 5% owner of a business and you received an excessive distribution from a Keogh plan or trust, you may have to pay a penalty tax of 10% of the distribution. Get **Pub. 560** for more details.

Include the amount of the penalty in your total for line 53. On the dotted line next to this total, write "Section 72 penalty," and show the amount.

Advance Earned Income Credit (AEIC) Payments. If you received advance EIC payments (AEIC), the amount will be shown on your Form W-2. Include the amount of these payments in your total for line 53. On the dotted line next to this total, write "AEIC," and show the amount.

***Note:** The amount of earned income credit that you can actually take will be figured on the worksheet on page 20 and entered on line 56.*

Uncollected Employee Social Security and RRTA Tax on Tips. If you did not have enough wages to cover the social security tax or railroad retirement (RRTA) tax due on tips you reported to your employer, the amount of tax due will be shown on your Form W-2. Include that amount in the total on line 53. On the dotted line next to this total, write "Uncollected Tax on Tips," and show the amount.

Golden Parachute Payments. Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes. If you received an excess parachute payment (EPP), you must pay a tax equal to 20% of this excess payment. Include the amount of this tax in your total for line 53. On the dotted line next to this total, write "EPP," and show the amount of the tax.

If you received a **Form W-2** that includes a parachute payment, the amount of tax withheld on any excess payment should be identified in Box 16 of Form W-2. Include the amount from Box 16 in the total for line 53.

If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 53.

Shareholders in Qualified Electing Funds. If you were a shareholder in a qualified electing fund, follow the instructions for **Form 8621,** Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, to figure the amount of tax to include in or subtract from the total on line 53.

On the dotted line to the left of line 53, write "Sec. 1294," and the amount of tax to be added to or subtracted from the total for line 53. (Show an amount to be subtracted in brackets.) Show any interest due in the bottom margin of page 1, Form 1040, and label it "Sec. 1294 interest." Do not include the interest on line 53. See the instructions for Form 8621 for more information.

Installment Sales for Dealers in Personal Property. If you deferred payment of tax in 1987 under sec. 811 (c)(7) of the Tax Reform Act of 1986, you must include the ratable portion of tax due for 1988 in the total for line 53. Write "Sec. 453C" and the amount on the dotted line to the left of line 53.

Payments

Line 54

Total Federal Income Tax Withheld

Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G, W-2P,** and **1099-R.** Enter the total on line 54. The amount of Federal income tax withheld should be shown in Box 9 of Form W-2, Box 2 of Form W-2G, Box 11 of Form W-2P, and Box 4 of Form 1099-R.

If line 54 includes amounts withheld as shown on Form 1099-R, check the box on line 54.

Backup Withholding. If you were subject to backup withholding on dividends, interest income, or other income you received during 1988, include the amount withheld in the total on line 54. This should be shown in Box 4 on the 1099 forms. Be sure to check the box on line 54.

Line 55

1988 Estimated Tax Payments

Enter on this line any payments you made on your estimated Federal income tax (**Form 1040-ES**) for 1988. Include any overpayment from your 1987 return that you applied to your 1988 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim a part of it. Please be sure to show both social security numbers on the separate returns. If you or your spouse paid separate estimated tax, but you are now filing a joint income tax return, add the amounts you each paid.

Follow these instructions even if your spouse died.

Divorced Taxpayers. If you were divorced during 1988 and you made joint estimated tax payments with your former spouse, please enter your former spouse's social security number in the block provided on the front of Form 1040.

If you were divorced and remarried in 1988, enter your present spouse's social security number in the block provided on the front of Form 1040. Also, under the bold heading "Payments" to the left of line 55, write your former spouse's social security number, followed by "DIV."

Name Change. If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040 explaining all the payments you and your spouse made in 1988, the Service Center where you made the payments, and the name(s) and social security number(s) under which you made the payments.

Line 56

Earned Income Credit

The earned income credit helps many taxpayers who have a child and whose earned income (see "Earned income includes" on page 20) and adjusted gross income are less than $18,576. If you can take the credit, you can subtract it from the tax you owe or get a refund even if you had no tax withheld from your pay. The credit can be as much as $874.

***Note:** If you received advance earned income credit payments from your employer(s), see the instructions for line 53 on this page for information on how to report these payments.*

Who Can Take the Credit?

You may be able to take the credit if you meet **ALL 5** of the following conditions:

1. You received wages, salaries, tips, or other earned income (see "Earned income includes" on page 20).

2. The amount on Form 1040, line 32, is less than $18,576.

3. You have a child (see "Definition of Child" on page 20) who lived with you in the same main home in the U.S. for more than 6 months during 1988 (for all of 1988 if your filing status is qualifying widow(er) with dependent child).

4. You do not file **Form 2555,** Foreign Earned Income.

5. Your filing status is married filing joint return, qualifying widow(er) with dependent child, or head of household. In addition, special rules apply to each of these three filing statuses.

Earned Income Credit Worksheet (Keep for your records)

To figure your credit, follow the instructions below. If you checked Filing Status box 1 or 3, you cannot take the credit. Do not complete this worksheet.

1. Enter the amount from Form 1040, line 7, plus any other compensation from your employer, regardless of whether it is taxable. But do not include scholarship or fellowship income if you did not receive a W-2 form for it. **Note:** *If you received nontaxable compensation from your employer, enter "NE" on the dotted line to the left of line 56 even if you cannot take the credit.* $
2. If you were self-employed, enter the amount, even if a loss, from Schedule SE, Section A, line 3, or Section B, line 3c. However, if you use the optional method to figure your self-employment tax, see **Pub. 596** for more information before entering an amount on line 2. If you have self-employment income that you reported on line 1 above, do not include it here.
3. **Earned income.** Add lines 1 and 2. However, if line 2 is a loss, subtract line 2 from line 1. If line 3 is zero or less, stop here; you **cannot** take the credit. If line 3 is more than zero, go on to line 4.
4. **Adjusted gross income.** Enter the amount from Form 1040, line 32. If the amount on line 4 is $18,576 or more, stop here; you **cannot** take the credit. Otherwise, go on to line 5 or line 6, whichever applies.
5. If line 4 above is **less than $9,850,** use the amount from line 3 above to find your credit in the table that begins on page 52. Enter the credit here and on Form 1040, line 56.
6. If line 4 above is **$9,850 or more**
   - a. Find the amount from line 3 above in the table that begins on page 52 and enter the credit for that amount here. $
   - b. Find the amount from line 4 above in the table and enter the credit for that amount here. $
   - c. Enter the amount from line **6a** or **6b,** whichever is **smaller,** here and on Form 1040, line 56. $

Married Filing Joint Return. Your child must be claimed as your dependent on Form 1040, line 6c. **Exception.** If your spouse is not your child's parent and the child's other parent (the noncustodial parent) claimed the child as a dependent under the rules on page 9 for **Children of Divorced or Separated Parents,** you can take the credit if you meet all 5 of the conditions listed above. If you can take the credit because of this exception, enter the child's name on the dotted line to the left of line 56.

Qualifying Widow(er) With Dependent Child. Your child must be claimed as your dependent on Form 1040, line 6c.

Head of Household. If your child was **unmarried** for 1988, you must enter that child's name in the space provided on Form 1040, line 4 (or line 6c if you claimed that child as a dependent).

If your child was **married** for 1988, this child must be claimed as your dependent on Form 1040, line 6c. **Exception.** If this child's other parent claimed him or her as a dependent under the rules explained on page 9 for **Children of Divorced or Separated Parents,** you can take the credit if you meet all 5 of the conditions listed under "Who Can Take The Credit?" If you can take the credit because of this exception, you must enter the child's name on the dotted line to the left of line 56 unless you entered the child's name in the space provided on Form 1040, line 4.

If you meet all of the conditions listed above, use the worksheet on this page to figure the credit. Otherwise, do not fill in the worksheet. Instead, enter "NO" on Form 1040, line 56, and go on to line 57.

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on page 16.

You may be able to receive advance payments of the credit by filing **Form W-5** with your employer.

For more details about the credit, get **Pub. 596,** Earned Income Credit.

Earned income includes:

- Wages, salaries, and tips.
- Earnings from self-employment—this is usually the amount shown on Schedule SE (Form 1040), Section A, line 3, or Section B, line 3c.
- Anything else of value (money, goods, or services) you get from your employer for services you performed even if it is not taxable.

***Note:** The following are examples of amounts received from your employer that must be included on line 1 of the worksheet—*

a. Housing allowance (or rental value of a parsonage) for members of the clergy.

b. Meals and lodging.

Earned income does not include items such as interest, dividends, social security payments, welfare benefits, veterans' benefits, workers' compensation, unemployment compensation (insurance), or income exempt from self-employment tax as a result of the filing and approval of **Form 4029** (relating to members of certain religious faiths). Earned income also does not include taxable scholarships or fellowships not reported on Form W-2.

Definition of Child. In general, for purposes of this credit, your **child** includes:

- Your son or daughter
- Your stepchild or adopted child

If your filing status is **married filing a joint return** or **qualifying widow(er) with dependent child,** your child also includes a child placed with you by an authorized placement agency for adoption by you. Your child also includes a foster child (any other child, such as your grandchild, whom you cared for as your own child for the whole year).

If your filing status is **head of household,** your child also includes a descendant of your son, daughter, or adopted child.

If your child was born, or died, in 1988 and your home was your child's home during the part of 1988 that he or she was alive, your child is considered to have lived with you for more than 6 months or, if applicable, for all of 1988.

***Note:** The earned income credit must be reduced by the alternative minimum tax (Form 1040, line 49). If you owe this tax, subtract it from the amount on line 5 or line 6c of the worksheet above, whichever applies, and enter the result (but not less than zero) on Form 1040, line 56.*

Line 57

Amount Paid With Form 4868 (Extension of Time To File)

If you filed **Form 4868** to get an extension of time to file Form 1040, enter the amount you paid with that form. Also include any amounts paid with **Form 2688** or **2350.**

Line 58

Excess Social Security Tax and RRTA Tax Withheld—Two or More Employers

If you had two or more employers in 1988 who together paid you more than $45,000 in wages, too much social security tax and railroad retirement (RRTA) tax may have been withheld from your wages. If so, you may be able to take a credit against your income tax.

If you are filing a joint return, you must figure the credit separately for yourself and your spouse. Complete the worksheet on page 21 to see if you can take the credit.

If you worked for two or more railroad employers, or if you had both RRTA tax and social security tax withheld from your wages, get **Pub. 505,** Tax Withholding and Estimated Tax, for information on how to figure your excess RRTA or social security tax. **Do not** use the worksheet on page 21.

***Caution:** If you were a Federal, state, or local government employee who paid only the 1.45% medicare (hospital insurance benefits) tax on your government wages **do not** include on line 1 of the worksheet the medicare tax withheld from your government wages. See the instructions for line 60 to see if you can take a credit for excess medicare tax paid.*

Worksheet (Keep for your records)

1. Add all social security tax withheld (but not more than $3,379.50 for each employer) * Enter the total here	
2. Enter any uncollected social security tax on tips included in the total on Form 1040, line 53	
3. Add lines 1 and 2	
4. Less	-3,379.50
5. Subtract line 4 from line 3 Enter this amount on line 58	

** If any one employer withheld more than $3,379.50, you should ask the employer to refund the excess to you. You cannot take credit for it on your return.*

Line 59

Credit for Federal Tax on Fuels

If you can take a credit for tax on gasoline, diesel fuel, and special fuels used in your business, or for certain diesel-powered cars, vans, and light trucks, please attach **Form 4136**. Enter the credit on line 59.

Line 60

Regulated Investment Company Credit

Enter on this line the total amount of the credit from **Form 2439**. Be sure to attach Copy B of Form 2439. Also include on line 60 any Excess Medicare Tax Credit.

Excess Medicare Tax Credit. If you were a Federal, state, or local government employee whose wages in 1988 were subject **only** to the 1.45% medicare (hospital insurance benefits) tax and you had other social security or RRTA wages that when added to your government wages total more than $45,000, too much medicare tax may have been withheld. If so, you may take a credit against your income tax. Use **Form 4469**, Computation of Excess Medicare Tax Credit, to figure the credit. Include the amount of the credit in your total for line 60. On the dotted line next to this total, write "Form 4469" and show the amount.

Line 61

Total Payments

Add lines 54 through 60 and enter the total on line 61. Also include on line 61 any Overpaid Windfall Profit Tax.

Overpaid Windfall Profit Tax. You may be allowed a credit for overpaid windfall profit tax (OWPT). Use **Form 6249** to figure the overpayment. Include this amount in your total for line 61. On the dotted line next to this total, write "OWPT" and show the amount. Attach Forms 6249 and 6248 to Form 1040.

Refund or Amount You Owe

Line 62

Amount Overpaid (If line 61 is larger than line 53)

Subtract line 53 from line 61. You can choose to have all or part of this amount refunded to you (line 63). The remainder, if any, can be applied to your estimated tax for 1989 (line 64). If line 62 is under $1, we will send a refund only on written request.

Income Tax Withholding for 1989. If the amount you overpaid is large, get a copy of **Form W-4**, Employee's Withholding Allowance Certificate, from your employer to see if you are entitled to additional allowances. If you are, file a new Form W-4 with your employer to change the amount of income tax to be withheld from your wages.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the part-year method of withholding. There are also other methods that could reduce your withholding.

For more details, see your employer or get **Pub. 505**, Tax Withholding and Estimated Tax.

Line 64

Applied to 1989 Estimated Tax

Subtract line 63 from line 62. This is the amount that will be applied to your estimated tax for 1989. Enter this amount on line 64.

We will apply amounts to your account unless you request us to apply it to your spouse's account. The request should include your spouse's social security number.

Line 65

Amount You Owe (If line 53 is larger than line 61)

Subtract line 61 from line 53 and enter the result. This is the amount you owe.

Attach your check or money order for the full amount when you file. If line 65 is under $1, you do not have to pay. **Do not** include any estimated tax payment in your check or money order. Mail any estimated tax payment in a separate envelope from the one you use to pay the tax due on Form 1040.

Income Tax Withholding for 1989. If you do owe tax for 1988, you may want to increase the amount of income tax withheld from your pay for 1989. To do this, file **Form W-4**, Employee's Withholding Allowance Certificate, with your employer. Otherwise, you may have to make estimated tax payments for 1989. See **Should You Make Estimated Tax Payments for 1989?** on this page.

For more details, get **Pub. 505**, Tax Withholding and Estimated Tax.

Underpayment of Estimated Tax. If line 65 is $500 or more and more than 10% of the tax shown on your return, or you underpaid your 1988 estimated tax liability for any payment period, you may owe a penalty. **Form 2210 (Form 2210F** for farmers and fishermen) is used to see if you owe a penalty and to figure the amount of the penalty. You may figure the penalty yourself by completing and attaching that form to Form 1040, or IRS will figure the penalty for you and send you a bill. But if you use the annualized income installment method to figure your required payments, you must complete and attach Form 2210 to Form 1040 even if you do not owe the penalty.

Note: *The penalty may be waived under certain conditions. Get* ***Pub. 505.***

If you underpaid your 1988 income tax, you will **not** owe a penalty or have to complete Form 2210 (or Form 2210F) if:

1. you had no tax liability for 1987,
2. you were a U.S. citizen or resident for all of 1987, and
3. your 1987 tax return was for a tax year of 12 full months.

If you attach Form 2210 or 2210F, be sure to check the box below line 65 and enter the amount of any penalty you owe in the space provided. If you owe tax, add the penalty amount to the tax due and show the total on line 65. Or, if you are due a refund, subtract the penalty amount from the overpayment you show on line 62.

Should You Make Estimated Tax Payments for 1989?

In general, you do not have to make estimated tax payments if you expect that your 1989 Form 1040 will show a tax refund, or a tax balance due IRS of less than $500. If your total estimated tax (including any alternative minimum tax) is $500 or more, please get **Form 1040-ES**. It contains a worksheet that you can use to see if you have to make estimated tax payments.

Note. *You may need to make estimated tax payments for 1989 if you are eligible for Medicare Part A and will owe the supplemental Medicare premium. See* ***Supplemental Medicare Premium*** *under* ***What To Look For in 1989*** *on page 2 for more information.*

Sign Your Return

Form 1040 is not considered a return unless you sign it. Your spouse must also sign if it is a joint return. Be sure to date your return and show your occupation in the space provided. If you have someone prepare your return for you, you are still responsible for the correctness of the return. If you are filing a joint return with your deceased spouse, see **Death of Taxpayer** on page 22.

Dependent Child's Return. If your dependent child cannot sign his or her return because of age or other reasons, you may sign your child's name in the space provided followed by the words "By (your signature), parent (or guardian) for minor child."

Did You Have Someone Else Prepare Your Return? If you fill in your own return, the Paid Preparer's space should remain blank. Someone who prepares your return but does not charge you, should not sign.

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Use Only area of your return.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The preparer required to sign your return ***MUST:***

- *Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)*
- *Give you a copy of your return in addition to the copy to be filed with IRS.*

Tax return preparers should be familiar with their responsibilities. They should get **Pub. 1045**, Information for Tax Practitioners, for more details.

Avoid Common Mistakes

This checklist should help you file your form correctly. Errors may delay your refund.

1. Is your address correct on the preprinted label? If not, did you correct the label?
2. If you took the standard deduction, did you use the correct chart or worksheet on page 17?
3. Did you attach your W-2 forms and any other forms? Did you assemble all forms and schedules in the proper order? (See Step 6 on page 6.)
4. Are your addition and subtraction correct? (***Note:*** *Check your math carefully when figuring your refund or amount you owe.*)
5. Did you find the correct tax in the Tax Table for your filing status and taxable income?
6. Did you write your social security number, daytime phone number, and "1988 Form 1040" on your check or money order?
7. Did you sign and date your tax form?

Section 4

General Information

This section contains general information about items such as amending your tax return and how long to keep tax records.

Penalties and Interest

Interest. We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, gross valuation overstatements, and substantial understatements of tax. Interest is charged on the penalty from the due date of the return (including extensions).

Late Filing of Return. You can avoid penalties for late filing by sending in your return by the due date. If you file late, the penalty is 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty cannot be more than 25% of the tax due. If your return is more than 60 days late, the minimum penalty will be $100 or the amount of any tax you owe, whichever is smaller.

Late Payment of Tax. If you pay your taxes late, the penalty is usually 1/2 of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty cannot be more than 25% of the unpaid amount. It applies to any unpaid tax on the return. It also applies to any additional tax shown on a bill not paid within 10 days of the date of the bill. This penalty is in addition to interest charges on late payments.

Note: *If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040, page 2. Do not include the interest or penalty amounts in* ***Amount You Owe*** *on line 65.*

Penalty for Frivolous Return. In addition to any other penalties, the law imposes a penalty of $500 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes any altering or striking out of the preprinted language above the space where you sign.

Other Penalties. There are also other penalties that can be imposed for negligence, substantial understatement of tax, and fraud. Get **Pub. 17**, Your Federal Income Tax, for details on some of these penalties.

Gift To Reduce America's Debt

You may make a gift to reduce America's debt. If you wish to do so, enclose a separate check with your income tax return. Make it payable to "Bureau of the Public Debt." You may be able to deduct this gift on your 1989 tax return if you itemize your deductions. Please do not add it to any tax you may owe. If you owe tax, include a separate check for that amount payable to "Internal Revenue Service."

Address Change

If you move, you should always notify the IRS Service Center where you filed your last return. If you move after you file your return and you are expecting a refund, also notify the post office serving your old address. This will help to forward your check to your new address.

Mailing Your Return

If you received an envelope with your forms booklet, please use it. If you didn't receive an envelope, or you moved during the year, see **Where To File** on page 5. Envelopes with insufficient postage will be returned by the post office.

Corresponding With IRS

Be sure to include your social security number in any correspondence with IRS.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your return, as well as any worksheets used to figure them, until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property. For more details, get **Pub. 552**.

Requesting a Copy of Your Tax Return. If you need a copy of your tax return, use **Form 4506**, Request for Copy of Tax Form. The charge for a copy of a return is $4.25. If you need tax account information, contact your local IRS office. If you want a printed copy of your account, it will be mailed to you free of charge.

Substitute Tax Forms

You may not use your own version of a tax form unless it meets the requirements contained in **Pub. 1167** for acceptable privately designed and printed substitute tax forms. You can get Pub. 1167 by writing to:

Forms Distribution Center
P.O. Box 25866
Richmond, VA 23289

Amended Return

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, file **Form 1040X**, Amended U.S. Individual Income Tax Return, to change the Form 1040, 1040A, or 1040EZ you already filed.

Note: *If your Federal return is changed for any reason, it may affect your state income tax liability. This would include changes made as a result of an examination of your return by the IRS. Contact your state tax agency for more information.*

Death of Taxpayer

If a taxpayer died before filing a return for 1988, the taxpayer's spouse or personal representative may have to file and sign a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased person's property.

The person who files the return should write "deceased" after the deceased's name and show the date of death in the name and address space at the top of the return. Also write **"DECEASED"** across the top of the tax return.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1988 and you did not remarry in 1988, you can file a joint return. You can also file a joint return if your spouse died in 1989 before filing a 1988 return. A joint return should show your spouse's 1988 income before death and your income for all of 1988. Also write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

Claiming a Refund for a Deceased Person. No other form is needed to claim a refund for a deceased taxpayer if you are:

- a surviving spouse filing a joint return with the deceased, OR
- a court-appointed representative.

Note: *If you are a court-appointed representative you MUST attach to Form 1040 a copy of the certificate that shows your appointment.*

All other filers requesting the refund of a deceased taxpayer must file **Form 1310**, Statement of Person Claiming Refund Due a Deceased Taxpayer.

For more details, see **Tele-Tax Information** in the index (topic no. 158) or get **Pub. 559**, Tax Information for Survivors, Executors, and Administrators.

Section 5

Instructions for Schedules to Form 1040

Instructions for Schedule A
Itemized Deductions

Purpose

Some taxpayers should itemize their deductions because they will save money. See Standard Deduction OR Itemized Deductions on page 16.

If you itemize, you can deduct part of your medical and dental expenses and unreimbursed employee business expenses and amounts you paid for certain taxes, interest, contributions, and certain miscellaneous expenses. You may also deduct certain moving expenses and casualty and theft losses.

Lines 1a through 4

Medical and Dental Expenses

Before you can figure your total deduction for medical and dental expenses, you must complete Form 1040 through line 32.

You may deduct only that part of your medical and dental expenses that is more than 7.5% of the amount on Form 1040, line 32.

Line 1a. Write in the amount you paid for doctors, dentists, nurses, and hospitals, prescription medicine and drugs, or for insulin, after you reduce these expenses by any payments received from insurance or other sources. Also include the total amount you paid for insurance premiums for medical and dental care.

Line 1b. Write in the amounts spent for transportation and lodging, and other expenses such as hearing aids, dentures, and eyeglasses, after you reduce these expenses by any payments received from insurance or other sources. List the medical expense and the amount of the expense. Enter one total in the total amount column on line 1b.

Note: *If your insurance company paid your doctor or dentist directly for part of your medical expenses, and you paid only the amount that remained, include in your medical expenses ONLY the amount that you paid.*

If in 1988 you received a reimbursement of prior year medical or dental expenses, do not reduce your 1988 expenses by this amount. You must include the reimbursement in income on Form 1040, line 22, if the medical expenses deducted in the earlier year reduced your tax. **Pub. 502** tells you how to figure the amount to include in income.

Caution: *If you were self employed, do not include the amount of any health insurance you deducted on Form 1040, line 26.*

When you figure your deduction, you may include medical and dental bills you paid for:

- Yourself
- Your spouse
- All dependents you claim on your return
- Your child whom you do not claim as a dependent because of the rules explained on page 9 for **Children of Divorced or Separated Parents**.
- Any person that you could have claimed as a dependent on your return if that person had not received $1,950 or more of gross income or had not filed a joint return.

Example. You provided more than half of your mother's support but may not claim her as a dependent because she received $1,950 of wages during 1988. If part of your support was the payment of her medical bills, you may include that part in your medical expenses.

Examples of Medical and Dental Payments You MAY Deduct

To the extent you were not reimbursed, you may deduct what you paid for:

- Prescription medicines and drugs, or insulin.
- Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you may deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aid batteries, contact lenses, braces, crutches, wheelchairs, guide dogs and the cost of maintaining them.
- Lodging expenses (but not meals) paid while away from home to receive medical care in a hospital or a medical care facility that is related to a hospital. Do not include more than $50 a night for each eligible person.
- Ambulance service and other travel costs to get medical care. If you used your own car, you may claim what you spent for gas and oil to go to and from the place you received the care, or you may claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

Examples of Medical and Dental Payments You MAY NOT Deduct

- The basic cost of medicare insurance (Medicare A).

Note: *If you are 65 or older and not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.*

- Life insurance or income protection policies.
- The 1.45% medicare (hospital insurance benefits) tax withheld from your pay as part of the social security tax or the medicare tax paid as part of social security self employment tax.
- Nursing care for a healthy baby. (You may qualify for the child and dependent care credit, get **Form 2441**.)
- Illegal operations or drugs.
- Nonprescription medicines or drugs.
- Travel your doctor told you to take for rest or change.
- Funeral, burial, or cremation costs.

Pub. 502 has a discussion of expenses that may and may not be deducted. It also explains when you may deduct capital expenditures and special care for handicapped persons.

Lines 5 through 8

Taxes You Paid

Taxes You MAY Deduct

Line 5—State and local income taxes. Include on this line state and local income taxes that were withheld from your salary and any estimated payments made in 1988 including payments for a prior year. Also include any part of a prior year refund of state or local income taxes that you chose to have credited to your 1988 estimated state or local taxes. **Do not** reduce your deduction by either of the following:

- any state and local income tax refund (or credit) you expect to receive for 1988, or
- any refund of (or credit for) prior year state and local income taxes you actually received in 1988 (see the instructions for Form 1040, line 10).

Line 6—Real estate taxes. Include taxes that you paid on property you own that was not used for business. **Pub. 530** explains the deductions homeowners may take.

If your mortgage payments include your real estate taxes, do not take a deduction for those taxes until the year the mortgage company actually pays them to the taxing authority.

Line 7—Other taxes. If you had any deductible tax not listed on Schedule A, lines 5 or 6 (such as personal property or foreign income tax), list the tax and the amount of tax. Enter one total in the total amount column on line 7.

Personal property tax must be based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you may deduct only the part based on value.

If you paid tax to a foreign country or U.S. possession, you may want to take it as a credit instead of a deduction. Please get **Pub. 514**.

Taxes You MAY NOT Deduct

- Federal income and excise taxes.
- Social security and railroad retirement (RRTA) taxes.
- Customs duties.
- Federal estate and gift taxes. (However, see **Expenses NOT Subject to the 2% Limit** on page 26.)
- Certain state and local taxes, including general sales tax, tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (marriage, driver's, dog, etc.).

Lines 9a through 13

Interest You Paid

Include interest you paid on nonbusiness items only. Whether your interest expense is treated as investment interest, personal interest, or business interest depends on how and when you used the loan proceeds. Get **Pub. 545**, Interest Expense, for details.

In general, if you paid interest in 1988 that includes amounts that apply to any period after 1988, you may deduct only the amount that applies for 1988.

Note: *If at the end of 1988 you have a loan whose term is in excess of 5 years and the loan agreement in any way refers to the "Rule of 78's," see Pub. 545.*

Interest You MAY Deduct

Lines 9a and 9b—Home Mortgage Interest. The rules for deducting home mortgage interest have changed for 1988. In most cases, you will be able to deduct all of your home mortgage interest, even if your deduction was limited last year. The new rules apply to any loans secured by your main home, including first and second mortgages, home equity loans and refinanced mortgages. Whether your home mortgage interest is deductible under the new rules depends on the date you took out the mortgage, the amount of the mortgage and your use of its proceeds.

If ALL of your mortgages fit into one or more of categories **a.**, **b.**, and **c.** below, you can deduct all of the interest on those mortgages and report it on Schedule A, line 9a or 9b, whichever applies. If one or more of your mortgages does not fit into any of the categories below, get **Pub. 936**, Limits on Home Mortgage Interest Deduction, to figure the amount of interest you can deduct.

a. Mortgages you took out on your main home ON or BEFORE October 13, 1987. These mortgages also include line of-credit mortgages you had on October 13, 1987, and mortgages you had on October 13, 1987, that you refinanced after that date. But see **Special Rules** if you refinanced or borrowed additional amounts on a line of credit mortgage after October 13, 1987.

b. Mortgages you took out on your main home AFTER October 13, 1987, to buy, build, or improve your home, but only if these mortgages plus any mortgages in **a.** above totaled $1 million or less throughout 1988. The limit is $500,000 or less if married filing separately.

c. Mortgages you took out AFTER October 13, 1987, on your main home, OTHER THAN to buy, build, or improve your home, but only if these mortgages totaled $100,000 or less throughout 1988. The limit is $50,000 or less if married filing separately.

An example of a mortgage used for purposes other than to buy, build, or improve your home is a home equity loan you used to pay off credit card bills, to buy a car, or to pay tuition costs.

Special Rules

Refinanced Mortgages. —If you had a mortgage on your home on October 13, 1987, and refinanced it after that date for no more than the balance of the existing mortgage, all of the new mortgage is treated as a mortgage described in **a.** above. But, if you refinanced it for more than the balance of the existing mortgage, only the part of the new mortgage equal to the amount you owed on the mortgage at the time you refinanced is treated as a mortgage described in **a.** The part of the new mortgage that is more than the balance of the existing mortgage is a mortgage described in **b.** or **c.** (or **b.** and **c.** if a **mixed-use mortgage**—see below).

Line-of-Credit Mortgages. —If you had a line-of-credit mortgage on your home on October 13, 1987, and you borrowed additional amounts on this line of credit after that date, the additional amounts borrowed are treated as a mortgage taken out after October 13, 1987, and are subject to the rules under **b.** or **c.** (or **b.** and **c.** if a **mixed-use mortgage**—see below).

Mixed-Use Mortgages. —If you took out a new mortgage after October 13, 1987, (including refinancing for more than what you owed or borrowing additional amounts on a line-of credit mortgage you had on October 13, 1987), for purposes described in both **b.** and **c.** above, you have a mixed use mortgage. The mortgage proceeds used to buy, build, or improve the home fit into category **b.**, and the rest of the proceeds fit into category **c.**

Example. You took out a mortgage on your home for $200,000 in 1980. You file as single for 1988. In March 1988, when the home had a fair market value of $400,000 and you owed $195,000 on the mortgage you took out a home equity loan for $120,000. In 1988, you used $90,000 of the home equity loan proceeds for home improvements, and $30,000 for other purposes. You can deduct all of the interest on both mortgages. The first mortgage qualifies because it was taken out on or before October 13, 1987. The home equity loan qualifies under the dollar limits in **b.** and **c.** The part of the mortgage subject to the dollar limit in **b.** ($90,000) plus the first mortgage of $195,000 totaled less than $1 million. The part of the mortgage subject to the dollar limit in **c.** ($30,000) was less than $100,000.

Note: *Additional limits apply if the total amount of all mortgages exceeds the fair market value of the home.*

More Than One Home. —If you had a main home and a second home, the dollar limits explained in **b.** and **c.** above apply to the total mortgages on both homes.

Line 9a. Enter on line 9a deductible mortgage interest you paid directly, or indirectly, to financial institutions. If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of that person. Next to line 9a, write "See attached."

If you paid $600 or more of mortgage interest, the recipient will generally send you a **Form 1098**, Mortgage Interest Statement, or similar statement, by January 31, 1989, showing the total interest received during 1988. Points you paid will not be shown.

Note: *If the recipient was not a financial institution and you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 9b.*

If you paid more interest to financial institutions than is shown on Form 1098, get Pub. 545 to see if you can deduct the additional interest. If you can, attach a statement explaining the difference and write "See attached" next to line 9a.

Note: *If you qualify for the Mortgage Interest Credit (see instructions for Form 1040, line 46), subtract the amount shown on line 3 of Form 8396 from the total deductible interest you paid on your home mortgage and enter the result on line 9a.*

Line 10—Points. Generally, points (including loan origination fees) charged **only** for the use of money are deductible over the life of your mortgage. **Exception.** Points may be deducted in the year paid if the loan was used to **buy or improve your main home**, the loan was secured by that home, the points were paid with funds other than those obtained from the lender, it is customary to charge points in the area where the loan was made, and the points paid did not exceed the points usually charged in that area. This generally does not apply to points paid to refinance your mortgage. For more details, get Pub. 545.

Line 11—Investment Interest. Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to a passive activity.

Complete and attach **Form 4952**, Investment Interest Expense Deduction, to figure your deduction.

Exception. You do not have to file Form 4952 if ALL of the following apply:

- your only investment income was from interest or dividends,
- you have no other deductible expenses connected with the production of the interest or dividends,
- your investment interest expense is not more than your investment income,
- you have no carryovers of investment interest expense from 1987, and
- you have no passive activity losses.

For more details, including the treatment of amortizable bond premiums, get **Pub. 550**, Investment Income and Expenses.

Lines 12a and 12b—Personal Interest. For 1988, only 40% of personal interest (such as interest paid on car loans and credit cards) is deductible. Include on line 12a interest you paid on:

- Bank and other general purpose credit cards. Deduct the finance charge paid as interest if no part of it was for service charges, membership fees, loan fees, credit investigation fees, etc.
- Revolving charge accounts. Deduct finance charges if they were based on your monthly unpaid balances.
- Your personal note for money you borrowed from a bank, a credit union, or another person.
- Loans on life insurance if you paid the interest in cash and report on the cash basis.

- Installment loans on personal property, such as cars (including a business car used in your capacity as an employee) and appliances
- Taxes you paid late. Show only the interest, do not include any amount that is considered a penalty. If the tax is deductible, show it under **Taxes You Paid** (lines 5 through 8 of this schedule)

Note. *Special rules apply to interest expense imputed on below market loans. Get* ***Pub. 545***

Interest You MAY NOT Deduct

Do not include interest paid on your debts by others, such as mortgage interest subsidy payments made by a government agency. Also do not include the interest you paid for—

- Certain loans against your interest in a 401(k) plan or a tax sheltered annuity plan that were made, renewed, renegotiated modified, or extended after 1986. (Get **Pub. 575**, Pension and Annuity Income, for details.)
- Tax exempt income. This includes interest on money you borrowed to buy or carry wholly tax exempt securities. This also includes interest paid to purchase or carry obligations or shares, or to make deposits or other investments, to the extent any interest income received from the investment is tax exempt
- A loan on life insurance if the interest is added to the loan and you report on the cash basis
- A debt to buy a single premium life insurance or endowment contract
- Any kind of business transaction. (Use Schedule C, E, or F of Form 1040 to deduct business interest expenses.)

Get Pub. 545 for more details

Lines 14 through 17

Gifts to Charity

You may deduct what you actually gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc
- Fraternal orders, if the gifts will be used for the purposes listed above
- Veterans' and certain cultural groups
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have: arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc
- Federal, state, and local governments if the gifts are solely for public purposes

If you contributed to a charitable organization and also received a benefit from it, you may deduct only the amount that is more than the value of the benefit you received.

If you do not know whether you may deduct what you gave to an organization, check with that organization or with IRS.

Contributions You MAY Deduct

Contributions may be in cash (keep canceled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you.)

Limit on the amount you may deduct. Get **Pub. 526**, Charitable Contributions, to figure the amount of your deduction if any of the following applies:

- your cash contributions or contributions of ordinary income property are more than 30% of Form 1040, line 32,
- your gifts of capital gain property to certain organizations are more than 20% of Form 1040, line 32, or
- you gave gifts of property that increased in value or gave gifts of the use of property

You MAY NOT Deduct As Contributions

- Travel expenses (including meals and lodging) while away from home unless there was no significant element of personal pleasure, recreation, or vacation in the travel
- Political contributions
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups
- Cost of raffle, bingo, or lottery tickets
- Cost of tuition
- The value of your time or services
- Value of blood given to a blood bank
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred)
- Gifts to

a. Individuals

b. Foreign organizations

c. Groups that are run for personal profit

d. Groups whose purpose is to lobby for changes in the laws

e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

a. How you figured the property's value at the time you gave it. (If the value was determined by an appraisal, you should also keep a signed copy of the appraisal.)

b. The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value

c. How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property

d. Any conditions attached to the gift

Note: *If your total deduction for gifts of property is over $500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(h), your records should contain additional information. Get Pub. 526 for details*

Line 14. Enter the total contributions you made in cash or by check (including out-of pocket expenses). If you gave $3,000 or more to any one organization, show to whom and how much you gave in the space provided.

Line 15. Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If the amount of your deduction is more than $500, you must complete and attach **Form 8283**, Noncash Charitable Contributions. If your total deduction is over $5,000, you may also have to get appraisals of the values of the donated property. For this purpose, the "amount of your deduction" means your deduction BEFORE applying any income limitations that could result in a carryover of contributions. See Form 8283 and its instructions for details.

Line 18

Casualty and Theft Losses

Use line 18 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach **Form 4684**, Casualties and Thefts, to figure your loss. Enter on line 18 of Schedule A the amount of loss from Form 4684.

Losses You MAY Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You may deduct nonbusiness casualty or theft losses only to the extent that—

a. the amount of **EACH** separate casualty or theft loss is more than $100, and

b. the total amount of **ALL** losses during the year is more than 10% of your adjusted gross income on Form 1040, line 32.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. Get Form 4684 for details.

Losses You MAY NOT Deduct

- Money or property misplaced or lost
- Breakage of china, glassware, furniture, and similar items under normal conditions
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease

Use line 21 of Schedule A to deduct the costs of proving that you had a property loss. (Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.)

For more details, get **Pub. 547**, Nonbusiness Disasters, Casualties, and Thefts. It also gives information about Federal disaster area losses.

Line 19

Moving Expenses

Employees and self employed persons (including partners) can deduct certain moving expenses.

You can take this deduction if you moved in connection with your job or business and your change in job location has added at least 35 miles to the distance from your old home to your workplace. If you had no former workplace, your new workplace must be at least 35 miles from your old home. If you meet these requirements, see **Tele-Tax Information** in the index (topic no. 304) or **Pub. 521**, Moving Expenses. Complete and attach **Form 3903** to figure the amount of moving expenses to enter on line 19. If you began work at a new workplace outside the United States or its possessions, get **Form 3903F**, Foreign Moving Expenses.

Lines 20 through 25

Miscellaneous Deductions

Most miscellaneous deductions cannot be deducted in full. You must subtract 2% of your adjusted gross income from the total. You figure the 2% limit on line 23.

Generally, the 2% limit applies to job expenses you paid for which you were not reimbursed (line 20). The limit also applies to certain expenses you paid to produce or collect taxable income (line 21). See the instructions for lines 20 and 21 for examples of expenses to claim on these lines.

The 2% limit does not apply to certain other miscellaneous expenses that you may deduct. These expenses can be deducted in full on line 25. The line 25 instructions describe these expenses. Included are deductible gambling losses (to the extent of winnings) and certain job expenses of handicapped employees. See **Pub. 529**, Miscellaneous Deductions, for more information.

Expenses Subject to the 2% Limit (Lines 20 and 21)

Line 20. Use this line to report job expenses you paid for which you were not reimbursed. In some cases you MUST first fill out **Form 2106**, Employee Business Expenses. Fill out Form 2106 if:

1. You claim any travel, transportation, meal, or entertainment expenses for your job, OR

2. Your employer paid you for any of your job expenses reportable on line 20.

If 1 or 2 above applies, enter the amount from line 17 of Form 2106 on line 20 of Schedule A.

If you don't have to fill out Form 2106, just list the type and amount of your expenses on the dotted lines for line 20. If you need more space, attach a statement showing the type and amount of the expense. Enter one total in the amount space for line 20.

Examples of expenses to include on line 20 are:

- Travel, transportation, meal, or entertainment expense. (***Note:*** *If you have any of these expenses you must use Form 2106 for all of your job expenses.*)
- Union dues
- Safety equipment, small tools, and supplies you needed for your job
- Uniforms your employer said you must have, and which you may not usually wear away from work
- Protective clothing, required in your work, such as hard hats and safety shoes and glasses
- Physical examinations your employer said you must have
- Dues to professional organizations and chambers of commerce
- Subscriptions to professional journals
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job
- Business use of part of your home but only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer. For details, see **Tele-Tax Information** in the index (topic no. 309) or **Pub. 587**, Business Use of Your Home
- Education expenses you paid that were required by your employer, or by law or regulations, to keep your salary or job. In general, you may also include the cost of keeping or improving skills you must have in your job. For more details, see **Tele-Tax Information** in the index (topic no. 313) or **Pub. 508**, Educational Expenses. Some education expenses are not deductible. See **Expenses you MAY NOT Deduct**.

Line 21. Use this line for amounts you paid to produce or collect taxable income, manage or protect property held for earning income, and for tax preparation fees. List the type and amount of each expense on the dotted lines for line 21. If you need more space, attach a statement showing the type and amount of each expense. Enter one total in the amount space for line 21. Examples of these expenses are:

- Tax return preparation fee
- Safe deposit box rental
- Certain legal and accounting fees
- Clerical help and office rent
- Custodial (e.g., trust account) fees
- Your share of the investment expenses of a regulated investment company

Expenses NOT Subject to the 2% Limit (Line 25)

Use this line to report miscellaneous deductions that are NOT subject to the 2% AGI limit. Only the expenses listed below can be deducted on line 25.

- Gambling losses to the extent of gambling winnings. Report gambling winnings on Form 1040, line 22.
- Federal estate tax on income in respect of a decedent
- Amortizable bond premium on bonds acquired before October 23, 1986
- Deduction for repayment of substantial amounts under a claim of right
- Unrecovered investment in pension
- Impairment-related work expenses of a handicapped person

List the type and amount of each expense. Enter one total in the amount space for line 25. For more information on these expenses, get Pub. 529.

Expenses You MAY NOT Deduct

Some expenses are not deductible at all. Examples are:

- Political contributions
- Personal legal expenses
- Lost or misplaced cash or property (but see casualty and theft losses)
- Expenses for meals during regular or extra work hours
- The cost of entertaining friends
- Expenses of going to or from work
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation
- Expenses of:

a. Travel as a form of education

b. Attending a seminar, convention, or similar meeting unless it is related to your employment

c. Adopting a child, including a child with special needs

- Fines and penalties
- Expenses of producing tax-exempt income

Instructions for Schedule B

Interest and Dividend Income

Purpose

Use Schedule B if you are filing Form 1040 and you:

- Had more than $400 in taxable interest,
- Had more than $400 in dividends,
- Had a foreign account, or
- Were a grantor of, or transferor to, a foreign trust.

Part III of the schedule asks you to answer questions about foreign accounts and trusts.

Part I

Interest Income

To see what interest income you must report, read the instructions for Form 1040, line 8a, on page 10.

The payer should send you a **Form 1099-INT** or **Form 1099-OID**, if applicable, showing interest you must report. If the total taxable interest from all payers is over $400, fill in Parts I and III of this schedule.

Line 1

Report on line 1 the interest portion of any payments you received from an individual based on a take-back mortgage or other form of seller financing that resulted from the sale of your home or other property. Show the payer's name and the amount.

Line 2

Report on line 2 **ALL** taxable interest (other than seller-financed mortgage interest) that you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount.

Nominees. Include on line 2 interest you received, as a nominee, that actually belongs to another person (such as your child). Several lines above line 3, put a subtotal of all interest income listed on line 2. Below this subtotal, write "Nominee Distribution" and show the interest amounts you received as a nominee. Subtract these amounts from the subtotal and enter the result on line 3.

Note: *If you received interest as a nominee you must give the actual owner a* ***Form 1099-INT****, unless the owner is your spouse.*

Accrued Interest. When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller. If you received a Form 1099 for interest as a purchaser of a bond with accrued interest, follow the rules above under **Nominees** to see how to report the accrued interest on Schedule B. But identify the amount to be subtracted as "Accrued Interest."

Tax-Exempt Interest. If you received a **Form 1099-INT** for tax exempt interest, such as from municipal bonds, report the interest on line 2. Several lines above line 3 put a subtotal of all interest listed on line 2. Below this subtotal, write "Tax Exempt Interest" and show the amount. Subtract this amount from the subtotal and enter the result on line 3. Be sure to also include this tax exempt interest on Form 1040, line 8b.

Original Issue Discount (OID). If you are reporting OID in an amount less than the amount shown on Form 1099-OID, follow the rules above for **Nominees** or **Accrued Interest**, whichever applies, to see how to report the OID on Schedule B. But identify the amount to be subtracted as "OID Adjustment."

Part II

Dividend Income

To see what dividend income you must report, read the instructions for Form 1040, line 9, on page 11.

The payer should send you a **Form 1099-DIV** showing dividends you must report. If the total dividends from all payers are over $400, fill in Parts II and III.

Line 4

Report on line 4 **ALL** of your dividend income. Include capital gain and nontaxable distributions. They will be deducted on lines 6 and 7. Include cash and the value of stock, property, or merchandise you received as a dividend. If you owned shares in a mutual fund, see **Pub. 564**, Mutual Fund Distributions.

List the payer's name and show the amount of income. If securities are held by a brokerage firm (in "street name"), list the name of the brokerage firm shown on **Form 1099-DIV**.

Nominees. Include on line 4 all dividends you received, including dividends you received, as a nominee, that actually belong to another person (such as your child), even if you later distributed some or all of this income to others. Several lines above line 5, put a subtotal of all dividends listed on line 4. Below this subtotal, write "Nominee Distribution" and show the amounts you received as a nominee. Subtract these amounts from the subtotal and enter the result on line 5.

Note: *If you received dividends as a nominee, you must give the actual owner a* ***Form 1099-DIV****, unless the owner is your spouse.*

Part III

Foreign Accounts and Foreign Trusts

Fill in this part if you had more than $400 of interest or dividend income, if you had a foreign financial account, or if you were the grantor of, or transferor to, a foreign trust.

Line 10

Check the **Yes** box if either **1** or **2** below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

Exception. Check **No** if any of the following apply to you:

- The combined value of the accounts was $10,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.
- You are an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation, the account is in your employer's name, **AND** you do not have a personal financial interest in the account.
- You are an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than $1 million and 500 or more shareholders of record, the account is in your employer's name, you do not have a personal financial interest in the account and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get **Form TD F 90-22.1** to see if you are considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

If you checked **Yes** to question 10, file Form TD F 90-22.1 by June 30, 1989, with the **Department of the Treasury** at the address shown on that form. **Do not** attach Form TD F 90-22.1 to Form 1040.

You can get Form TD F 90-22.1 by writing to the IRS Forms Distribution Center for your state, as shown on the inside back cover.

If you checked **Yes** to question 10, write the name of the foreign country or countries in the space provided. Attach a separate sheet if you need more space.

Instructions for Schedule D

Capital Gains and Losses

Purpose

Use Schedule D to:

- Report a sale of a capital asset.
- Report gains from involuntary conversions of capital assets not held for business or profit.
- Reconcile Forms 1099-B you got for bartering transactions. (See Part VI.)
- Make the long term capital gain election for lump-sum distributions.

Use **Form 4797**, Sales of Business Property, instead of Schedule D to report the following:

- The sale or exchange of trade or business property, depreciable and amortizable property, oil, gas, geothermal, or other mineral property, and section 126 property.
- The involuntary conversion (other than by casualty or theft) of trade or business property and capital assets held for business or profit.
- The disposition of other noncapital assets not mentioned above.

Use **Form 4684**, Casualties and Thefts, to report involuntary conversions of property due to casualty or theft.

Get **Pub. 544**, Sales and Other Dispositions of Assets, and **Pub. 550**, Investment Income and Expenses, for more information.

Form 1099-A, Information Return for Acquisition or Abandonment of Secured Property. If you received a Form 1099-A from your lender, you may have gain or loss to report because of the acquisition or abandonment. Get Pub. 544 for details.

Capital Gain Elections on Lump-Sum Distributions From Qualified Retirement Plans

The amount of a lump sum distribution that qualifies for capital gain treatment should be shown on Form 1099-R, Box 3. If you do not include the capital gain portion on **Form 4972**, Tax on Lump Sum Distributions, you can make a special capital gain election on Schedule D. To make the election on Schedule D for 1988, enter 95% (.95) of the amount from Form 1099-R, Box 3, in Part II of Schedule D. You should enter the remaining amount of the distribution (Form 1099-R, Box 2, minus the amount used on Schedule D) on Form 1040, line 17b. However, if you qualify to use Form 4972, you may report the balance on that form instead of Form 1040, line 17b.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, stocks, and bonds are capital assets.

A capital asset is any property held by a taxpayer **except** the following:

a. Stock in trade or other property included in inventory or held for sale to customers.

b. Accounts or notes receivable you received for services in the ordinary course of your trade or business, or from the sale of any property described in **a**, or for services you performed as an employee.

c. Depreciable property used in your trade or business even if it was fully depreciated.

d. Real property (real estate) used in your trade or business.

e. A copyright, a literary, musical, or artistic composition, a letter or memorandum, or similar property: (1) created by your personal efforts, or (2) prepared or produced for you (in the case of a letter, memorandum, or similar property), or (3) that you received from a taxpayer mentioned in (1) or (2), in a way (such as by gift) that entitled you to the basis of the previous owner.

f. U.S. Government publications, including the Congressional Record, that you received from the government, other than by purchase at the normal sales price, or that you got from another taxpayer who had received it in a similar way, if your basis is determined by reference to the previous owner.

Short-Term or Long-Term

Separate your capital gains and losses according to how long you held or owned the property. The holding period for long-term capital gains and losses is more than one year (more than 6 months if acquired before January 1, 1988). The holding period for short-term capital gains and losses is one year or less (6 months or less if acquired before January 1, 1988).

To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it. Use the trade dates for date acquired and date sold for stocks and bonds on an exchange or over-the-counter market.

Generally, a nonbusiness bad debt must be treated as a short-term capital loss.

Capital Losses

The capital loss that can be deducted after offsetting capital gains is limited to $3,000 ($1,500 if married filing a separate return).

Caution: *Under pending legislation, the capital loss deduction would be limited to the smallest of: the total net capital loss, $3,000 ($1,500 if married filing separate return), or the taxable income for the taxable year. Get* ***Pub. 553*** *to find out whether this law was passed.*

Losses That Are Not Deductible

Do not deduct a loss from the direct or indirect sale or exchange of property between any of the following:

- Members of a family.
- A corporation and an individual or a fiduciary owning more than 50 percent of the corporation's stock (not counting liquidations).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor.

- An individual and a tax-exempt organization controlled by the individual or the individual's family.
- A partnership and a corporation if the same taxpayers own directly or indirectly more than 50 percent of the capital interest, or profits interest, in the partnership and corporation.

Get Pub. 544 for more information on sales and exchanges between related parties.

If you dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, get the Instructions for **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c). When the loss becomes allowable under the at-risk rules, it is then subject to the passive activity rules. Get **Form 8582**, Passive Activity Loss Limitations, and its Instructions to see how to report capital gains and losses from a passive activity.

Items for Special Treatment and Special Cases

The following items may require special treatment:

- Transactions by a securities dealer.
- Wash sales of stock or securities. Get Pub. 550 for details.
- Bonds and other evidence of indebtedness. Get Pub. 550 for details.
- Certain real estate subdivided for sale which may be considered a capital asset.
- Gain on the sale of depreciable property to a more than 50% owned entity, or to a trust of which you are a beneficiary.
- Gain on the disposition of stock in an Interest Charge Domestic International Sales Corporation.
- Gain on the sale or exchange of stock in certain foreign corporations.
- Gain or loss from the closing or expiration of an option that is not a section 1256 contract, but that is a capital asset in your hands. If a purchased option expired, enter the expiration date in column (c), and write "EXPIRATION" in column (d). If an option granted (written) expires, enter the expiration date in column (b), and write "EXPIRATION" in column (e). Get Pub. 550 for details.
- Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership.
- Transfer of property to a partnership which would be treated as an investment company if the partnership were incorporated.
- Gain on the sale of qualified reinvested dividends from a qualified public utility. Get Pub. 550 for details.
- Transfer of appreciated property to a political organization.
- Loss on sale, exchange, or worthlessness of small business stock (section 1244 stock).
- In general, no gain or loss is recognized on a transfer of property from an individual to a spouse or a former spouse (but only if the transfer is incident to divorce). Get **Pub. 504**, Tax Information for Divorced or Separated Individuals.
- Amounts received on the retirement of a debt instrument generally are treated as received in exchange for the debt instrument.
- Losses from the disposition of wetlands and highly erodible croplands converted to agricultural use (other than livestock grazing) after March 1, 1986, are reported on Schedule D, **but** gains are reported on Form 4797.
- For rules on nontaxable exchanges, gifts of property, and inherited property, get Pub. 544.
- For treatment by shareholders of corporate liquidations, get **Pub. 542**, Tax Information on Corporations.

For information on mutual fund transactions, get **Pub. 564**, Mutual Fund Distributions.

Exchange of Like-Kind Property

Report the exchange of "like kind" property even though no gain or loss is recognized when you exchange business or investment property for property of "like kind." For exceptions, get Pub. 544.

Identify in column (a) the property you disposed of. Enter the date you acquired it in column (b), and the date you exchanged it in column (c). Write "like kind exchange" in column (d). Enter the cost or other basis in column (e). Enter zero in columns (f) and (g).

Sale or Exchange (Other Than Involuntary Conversion) of Capital Assets Held for Personal Use

This type of gain is a capital gain. Report it on Schedule D, Part I or Part II. Loss from the sale or exchange of this property is not deductible.

For example, you have a loss on the sale of a vacation home which is not your main home. Report it on line 2c or 9c, depending on how long you owned the home. Complete columns (a) through (e). Since the loss is not deductible, enter an "X" in column (f) and -0- in column (g).

Disposition of Partnership Interest

A sale or other disposition of an interest in a partnership may result in ordinary income. Get **Pub. 541**, Tax Information on Partnerships.

Long-Term Capital Gains From Regulated Investment Companies

Include in income as a long term capital gain the amount shown on **Form 2439**, Notice to Shareholders of Undistributed Long Term Capital Gains, that represents your share of the undistributed capital gains of a regulated investment company. Enter the tax paid by the company as shown on Form 2439 on line 60 of Form 1040. Add to the basis of your stock, the excess of the amount included in income over the credit.

Sale of Your Home

Use **Form 2119**, Sale of Your Home, to report a gain or loss from the sale of your main home whether or not you bought another one. For more information, get **Pub. 523**, Tax Information on Selling Your Home.

Installment Sales

If you sold property at a gain (other than publicly traded stocks or securities), and

you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to. Use **Form 6252**, Installment Sale Income. Also use Form 6252 if you received a payment in 1988 for a sale made in an earlier year on the installment method.

If you want to elect out of the installment method, report the sale as follows on a timely filed return (including extensions).

(1) Report the full amount of the sale on Schedule D.

(2) If you received a note or other obligation and are reporting it at less than face value (including all contingent payment obligations), complete Part V. If you received more than one, enter the amounts separately in the spaces in Part V.

Get **Pub. 537**, Installment Sales, for more details.

Section 1256 Contracts and Straddles

Use **Form 6781**, Gains and Losses From Section 1256 Contracts and Straddles, to report gains and losses from section 1256 contracts and straddles. Get Pub. 550 for more information.

Specific Instructions

Line 1

Reconciliation of Forms 1099-B for Sales of Stocks, Bonds, Etc.

Enter your total sales of stocks, bonds, etc. reported for 1988 to you on Form(s) 1099-B or on any equivalent substitute statement(s). Enter real estate transactions reported to you on **Form 1099-S** or on an equivalent substitute statement on line 2c or 9c. If line 1 differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference. There may be differences between line 1 and the total of lines 2b and 9b if you reported a Form 1099-B transaction in one year but did not receive a Form 1099-B until the following year. Also, a difference would occur if you received a Form 1099-B for an item that represents a return of capital.

Note: *If you need more space to list the details, you can attach separate sheets using the same format as the printed schedule. Enter the total sales price of all transactions included in your own schedule on lines 2b and 9b. Report the total gain and the total loss separately on lines 7 and 16.*

Column (d)

Sales Price

Enter in this column either the gross sales price or the net sales price from the sale. If you sold stocks or bonds and you received a Form 1099-B or similar statement from your broker that shows gross sales price, enter that amount in column (d). However, if the broker advised you that gross proceeds (gross sales price) less commissions and option premiums were reported to IRS, enter that net amount in column (d). If the net amount is entered in this column, do not include the commissions and option premiums in column (e).

Caution: Be sure to add all sales price entries in column (d) on lines 2a and 9a and enter the totals on lines 2b and 9b.

Column (e)

Cost or Other Basis

In general, the cost or other basis is the cost of the property plus purchase commissions, improvements, and minus depreciation, amortization, and depletion. If you inherited the property or got it as a gift in a tax free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cash cost as the basis. If you do not use cash cost, attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. Also adjust your basis for any stock splits. Get Pub. 550 to see how to figure your basis of stock that split during the time you owned it.

The basis of property acquired by gift generally is the basis of the property in the hands of the donor.

The basis of property acquired from a decedent is generally the fair market value at the date of death.

The cost or other basis of an OID debt instrument is increased by the amount of OID that has been included in gross income for that instrument.

If a charitable contribution deduction is allowed because of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Increase your cost or other basis by any expense of sale, such as broker's fees, commissions, state and local transfer taxes, and option premiums before making an entry in column (e), unless you reported net sales price in column (d).

For more information, get **Pub. 551**, Basis of Assets.

Lines 2a and 9a

Enter all sales of stocks, bonds, etc., whether or not you actually received a Form 1099-B. You can use abbreviations to describe property you list as long as your abbreviations are based on the descriptions of the property as shown on Form(s) 1099-B or on equivalent substitute statement(s).

Lines 2c and 9c

Enter sales and exchanges of other capital assets, including real estate transactions reported to you on Form(s) 1099-S or on equivalent substitute statement(s), unless you reported them on Form 2119, 4797, or 6252.

Line 6

Short-Term Capital Loss Carryover

Enter the amount from your 1987 Schedule D, line 33.

Line 15

Long-Term Capital Loss Carryover

Enter the amount from your 1987 Schedule D, line 38.

Part VI

Reconciliation of Forms 1099-B for Bartering Transactions

This part will enable IRS to compare amounts of bartering income reported to you on Forms 1099-B with amounts you report on your tax return.

For details on bartering income, get **Pub. 525**, Taxable and Nontaxable Income.

Instructions for Schedule E Supplemental Income

Purpose

Use Schedule E to report income or loss from rents, royalties, partnerships, S corporations, estates, trusts, and REMICS.

Note: *If you attach your own schedule(s) to report income or loss from any of these sources, use the same format as the Schedule E. Enter separately on Schedule E the total income and the total loss for each part.*

Filers of Forms 1041 and 1041S. Enter your employer identification number in the block for "Your social security number."

General Information

At-Risk Rules (Parts I and II)

If (1) you have a loss from any activity that you, your partnership, or S corporation engaged in as a trade or business or for the production of income, including the holding of real property (other than mineral property) placed in service after December 31, 1986, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss to report on Schedule E.

Amounts for which you are not at risk are amounts such as the following.

1. nonrecourse loans used to finance the activity, acquire property used in the activity, or acquire your interest in the activity, unless they are secured by property not used in the activity or by certain real property used in an activity of holding real property.

2. amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement,

3. loans from someone who has an interest in the activity, other than as a creditor, or who is related, under section 465(b)(3)(C), to a person (other than yourself) having such an interest, or

4. amounts contributed to the activity, or to your interest in the activity that is covered by

- nonrecourse loans or protected against loss by a guarantee, stop-loss agreement, or similar arrangement, or
- loans from a person described in 3 above.

Get **Pub. 925**, Passive Activity and At-Risk Rules, for more information.

The at-risk rules may apply to a member of a partnership or joint venture, a shareholder in an S corporation, or a lessor of certain property. Generally, the amount you have at risk limits the loss you can deduct for any tax year.

Partners and S corporation shareholders should get a separate statement of income, expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. See Form 6198 and the related instructions for more information.

If, in addition to the amount that you report on Schedule E, you sell or otherwise dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

If you have amounts that are not at risk, get Form 6198 to determine the amount of deductible loss. If the loss is from Part I, Schedule E, enter the deductible amount from Form 6198 in the appropriate column(s) on line 23 of Schedule E. If the loss is from Part II, Schedule E, and the activity is a nonpassive activity, enter the deductible amount from Form 6198 in column (i) of Schedule E. If your loss is from a passive activity, your loss may be further limited. You must file Form 8582 to figure the amount of your deductible loss. See **Passive Activity Losses** below.

Any loss from an activity not allowed for the tax year because of the at-risk rules is treated as a deduction allocable to the activity in the next tax year.

Passive Activity Losses (Parts I—III)

The "passive activity loss" rules may limit the amount of losses you can deduct. They apply to losses in Parts I, II, and III of Schedule E.

You generally can deduct losses from passive activities only to the extent of income from passive activities. Exceptions apply to some activities, such as rental real estate activities (see Part I instructions).

Losses from passive activities may first be subject to the at-risk rules. Losses deductible under the at-risk rules are then subject to the passive activity rules.

A **passive activity** is any business activity in which you DO NOT materially participate. See the instructions for **Form 8582**, Passive Activity Loss Limitations, for a definition of material participation.

Generally, the rental of real or personal property is a passive activity even if you materially participated. But there are exceptions. See the instructions to Form 8582 for more details on these exceptions, as well as special rules that apply if the rental property is a nondepreciable rental property, a rental property incidental to a development activity, or a property rented to a nonpassive activity.

The rental of your home that you also used for personal purposes is not a passive activity. See **Renting Out a Dwelling Unit That Is Also Used for Personal Purposes** on this page.

A working interest in an oil or gas well that you hold directly or through an entity that does not limit your liability is not a passive activity even if you do not materially participate.

Generally, royalty income not derived in the ordinary course of a trade or business reported on Schedule E is not considered income from a passive activity.

In most cases you must use Form 8582 to summarize your income and losses from passive activities and to figure the amount of loss that you are allowed to deduct for each passive activity. However, in some cases you do not have to use Form 8582 to figure your deductible rental loss. See Part I, line 24 instructions, for details.

For more information on passive activities, see the instructions for Parts I, II, and III of Schedule E, the instructions for Form 8582, and **Pub. 925**.

Part I

Rental and Royalty Income or Loss

Use this part to report rental and royalty income. Include room and other space rentals. If you provided significant services to the renter, or if you sold real estate as a business, do not report the income on Schedule E. Instead, report it on **Schedule C** (Form 1040).

For more information, see **Tele-Tax Information** in the index (topic no. 213). Or, get **Pub. 527**, Residential Rental Property.

Report royalties from oil, gas, or mineral properties, copyrights, and patents. However, if you hold an operating oil, gas, or mineral interest, or are in business as a self-employed writer, inventor, artist, etc., report gross income and expenses on Schedule C (Form 1040).

If you use Part I to report rental and royalty income, enter your rental and royalty expenses for each property in the appropriate columns on lines 6 through 22.

If you own a part interest in rental property, you may report your part on Schedule E.

If you have a loss from an activity, see **At-Risk Rules** and **Passive Activity Losses** discussed earlier and the line 24 instructions.

If you have more than three rental or royalty properties, complete and attach as many Schedules E as are needed to list the properties. Complete lines 1, 2, and 3 for each property. However, fill in the "Totals" column for lines 4, 5, 12, 20, 21, and 25 through 29 on only one Schedule E. The figures in the total column on that Schedule E should be the combined totals of all the schedules.

If you also need to use page 2 of Schedule E, use the same Schedule E that you used to enter the combined totals in Part I.

Rentals

If you were not in the real estate sales business and you received rent from property you own or control, report it on line 4. If you received services or property, instead of money, as rent, report its fair market value.

You can deduct an amount for the depreciation of rental property. You can also deduct all normal expenses, such as taxes, interest, repairs, insurance, maintenance, and agent's commissions.

Do not deduct the value of your own labor. Do not deduct capital investments or improvements.

Renting Out Part of Your Home

If you rent out only part of your home or other property, deduct the part of your expenses that apply to the rented part.

Renting Out a Dwelling Unit That Is Also Used for Personal Purposes

If you rented out a dwelling unit and you also used it as a home during the year, you may not be able to deduct all the expenses for the rental part. A dwelling unit (unit) means a house, apartment, condominium, mobile home, boat, or like property.

First, figure out if you used the unit as a home under this rule.

Answer two questions: During 1988, did you or your family—

1. use the unit for personal use more than 14 days?

2. use the unit for personal use more than 10% of the total days it was rented to others at a fair rental price?

If you answered "No" to either question, all of your expenses for the rental part can be deducted subject to the at-risk and passive activity loss limitations.

If you answered "YES" to BOTH questions, it means you used the unit as a home for this rule. You may NOT be able to deduct all your rental expenses. You can deduct on Schedule E your mortgage interest, real estate taxes, and casualty losses for the rental part. You can also deduct your other expenses for the rental part that are not related to your use of the unit as a home, such as advertising expenses and realtors' fees. If any income is left after you deduct these expenses, you can then deduct other expenses. But you cannot deduct more than the income that is left. Amounts you can't deduct can be carried to 1989. See Pub. 527 for more details. Also, get **Pub. 545**, Interest Expense, to see how much interest you can deduct.

What is personal use? A day of personal use is any day, or part of a day, that the unit was used by

- You for personal purposes
- Any other person for personal purposes, if that person owns part of the unit (unless rented to that person under a "shared equity" financing agreement).
- Anyone in your family or in the family of someone else who owns part of the unit. The day is not treated as personal if the unit is rented at a fair rental price to that person as his or her main home.
- Anyone under an agreement that lets you use some other unit.
- Anyone who pays less than a fair rental price for the unit.

If you used the unit as a home and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemize your deductions, you may deduct interest, taxes, and casualty losses on **Schedule A** (Form 1040). You do not have to report the rental income.

Rental Income From Farm Production or Crop Shares

Report farm rental income and expenses on **Form 4835** if you meet these two tests

1 You received rental income that was based on crops or livestock produced by the tenant

2 You did not manage or operate the farm to any great extent

Note *A loss from this kind of activity may be subject to the passive activity loss rules See Pub 925 for more information*

If you use Form 4835 enter on line 28 of Schedule E the net farm rental profit or loss from Form 4835 Also enter the gross farm rents from Form 4835 line 8 in Part VI of Schedule E line 43

Note *For purposes of estimated tax payments income received from your share of crops and rental based on farm production is considered income from farming*

Expenses To Rehabilitate Low Income Housing

You may amortize part of the costs you paid or incurred to rehabilitate qualified low income housing if the rehabilitation began before January 1 1987 If it began after 1986 you may be able to take a tax credit Get **Form 8586**, Low Income Housing Credit and Pub 572 for more details Also see Pub 925 for information on the passive activity loss rules as they apply to low income housing

Deduction for Removal of Barriers to the Handicapped and Elderly

You can deduct up to $35 000 of the costs you paid or incurred in 1988 to remove architectural or transportation barriers to the handicapped and the elderly Get **Pub 535**, Business Expenses and **Pub 907**, Tax Information for Handicapped and Disabled Individuals for more details

Line 1

Show the kind of property you rented out for example "brick duplex " Give the street address city or town and state You do not have to give the ZIP code

Line 3

A rental real estate activity is generally a passive activity and, therefore, usually subject to the limitation on losses from passive activities However, a special rule applies if you actively participated in rental real estate activities and had losses from these activities In general, you may be able to deduct up to $25 000 of losses from all rental real estate activities in which you actively participated However, other amounts apply if you are married filing separately

The active participation requirement can be met without regular continuous, and substantial involvement in operations as long as you participated in making management decisions or arranging for others to provide services (such as repairs), in a significant and bona fide sense Management decisions that are relevant in this context include approving new tenants, deciding on rental terms approving capital or repair expenditures, and other similar decisions

For more information, see the instructions for Form 8582 and Pub 925

Lines 12 and 13

In general to determine your interest expense allocable to the rental activities you will have to keep records to show how the proceeds of each debt were used Specific tracing rules apply for allocating debt proceeds and repayment of the debt See **Pub 545** for more information

If you have a mortgage on your rental property enter on line 12 the interest you paid for 1988 to banks or other financial institutions Be sure to fill in the "Totals" column

If you paid $600 or more of interest on this mortgage you should receive by January 31 1989 a **Form 1098**, Mortgage Interest Statement or similar statement showing the total interest received from you during 1988 If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098 attach a statement to your return showing the name and address of the person who received the Form 1098 In the left margin next to line 12 write "See attached"

If you paid more mortgage interest than is shown on your Form 1098 or similar statement, get Pub 545 to see if you can deduct the additional interest If you can attach a statement to your return explaining the difference and write "See attached" in the left margin next to line 12

Line 21

You may take a deduction for depreciation each year for property used for rental purposes The deduction does not apply to land and personal use property

If you placed any property in service **after 1980**, complete and attach **Form 4562**, Depreciation and Amortization Enter on line 21 the amount from Form 4562, Part I If you are depreciating **only** property placed in service **before 1981**, you do not need Form 4562 Figure depreciation on a worksheet from your own books and records and enter the total depreciation on line 21 You do not need to attach the worksheet to your return For a sample worksheet, see **Pub 534**, Depreciation

For more information on depreciation, see the instructions for Form 4562 and Pub 534

Line 24

Enter on line 24 the amount of your deductible rental loss If the loss is from a rental property that is not treated as a passive activity enter the loss from line 23 on line 24

If the loss is from a passive activity you generally need to complete Form 8582 to figure the amount of loss, if any, after applying the passive activity loss limits But, you do not have to complete Form 8582 to figure the amount of loss you can deduct on line 24 if

1. rental real estate activities are your only passive activities, and

2. you do not have any prior year unallowed losses from any passive activities, and

3. all of the following apply if you have an overall net loss from these activities

- You actively participated in all of the rental real estate activities (see line 3 for details on active participation),
- Your total losses from these activities are $25 000 or less ($12 500 or less if married filing separately and you lived apart from your spouse all year),
- If you are married filing separately you lived apart from your spouse all year
- You have no current or prior year unallowed credits from passive activities and
- Your modified adjusted gross income defined below is $100 000 or less ($50 000 or less if married filing separately and you lived apart from your spouse all year)

If you meet all the conditions listed above your rental real estate losses are not limited by the passive activity rules Enter the amount of the loss from line 23 on line 24

If you do not meet all of the conditions listed above you MUST complete and attach Form 8582

Modified adjusted gross income is your adjusted gross income on Form 1040 line 31 without taking into account any passive activity loss any taxable social security or railroad retirement benefits, and any deductible contributions to an IRA or other qualified retirement plan under section 219

Note *If you have net income from a nondepreciable rental property, a rental property incidental to a development activity or a property rented to a nonpassive activity the net income is not treated as passive activity income See Form 8582 instructions for details on how to report net income from these types of activities*

Royalties

Report on line 5 royalties from oil, gas, or mineral properties (not including operating oil gas, or mineral interests) copyrights and patents If you received $10 or more of royalties you should receive by January 31 1989 a **Form 1099-MISC**, or similar statement showing the royalties If you are in business as a self employed writer, inventor, artist etc report income and expenses on **Schedule C** (Form 1040) Under certain circumstances you can treat amounts received as "royalties " for transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset For more details, get **Pub. 544**, Sales and Other Dispositions of Assets

If state or local taxes were withheld from oil or gas payments you received enter on line 5 the gross amount of royalty Include the taxes withheld by the producer on line 16, but **DO NOT** include on line 16 the amount of windfall profit taxes actually withheld in 1988 Instead, enter that amount in Part V, line 40

Enter your depletion deduction on line 21 Get **Pub. 535**, Business Expenses

Parts II and III

Income or Loss From Partnerships, S Corporetions, Estates, or Trusts

If you are a member of more than one partnership, a shareholder in more than one S corporation, or a beneficiary of more than one estate or trust, enter all the information for each entity on the same line For

example you are completing Part II and are a member of Partnerships X and Y Enter all the information for columns (a) through (k) as appropriate for Partnership X on line A and for Partnership Y on line B

If you need more space in Parts II and III to list your income or losses, attach a continuation sheet using the same format as shown in Parts II and III However be sure to complete the "Totals" columns for lines 30a and 30b or lines 34a and 34b as appropriate If you also completed Part I on more than one Schedule E use the same Schedule E that you used to enter the combined totals in Part I

Tax Shelter Registration Number, If you are claiming or reporting any deduction, loss, credit, or other tax benefit, or reporting income from an interest purchased or otherwise acquired in a tax shelter you must attach **Form 8271**, Investor Reporting of Tax Shelter Registration Number to your return to report the tax shelter registration number as well as other information about the tax shelter There is a penalty if you fail to report this number on your tax return

Tax Preference Items If you are a partner, a shareholder in an S corporation, or a beneficiary of an estate or trust, you must take into account your share of tax preference items and adjustments from these entities on **Form 6251**, Alternative Minimum Tax—Individuals For more information, get Form 6251

Amount(s) From 1987 Schedule(s) K-1 You may have received a 1987 Schedule K 1 (Form 1065 1120S, or 1041) for a short year, and not have reported all of the short year income on your 1987 return In this case you must report 25% of the amounts shown on the short year 1987 Schedule K 1 on the appropriate lines of your 1988 Form 1040 and related schedules Write "PYA" (prior year amount) next to the entries If you received a 1988 Schedule K 1 from the entity, see its instructions for information on how to report the short year amounts on your 1988 return

Partnerships and S Corporations

If you are a member of a partnership or joint venture or a shareholder of an S corporation, use Part II to report your share of the partnership or S corporation income (whether you received it or not) or loss You should receive a **Schedule K-1** from the partnership or the S corporation Do not attach that schedule to your return Keep it for your records You should also receive a copy of the partner's or shareholder's Instructions for Schedule K 1 If you did not receive a copy of these instructions with your Schedule K 1, you can get a copy at most IRS offices Your copy of Schedule K 1 and its instructions will tell you where on your return to report your share of the items

Special rules apply that limit losses Please note the following

- If you have a loss from a partnership or an S corporation, see the **At-Risk Rules** on page 29
- See the Form 8582 instructions to determine whether you materially participated in the partnership or S corporation activity Generally if you are a limited partner you are not treated as having materially participated in the activity for the year
- If you have a passive activity loss you must complete Form 8582 to figure the amount of the allowable loss to enter in Part II, column (g) for that activity
- If you have passive activity income complete Part II column (h) for that activity
- If you have nonpassive income or loss, complete Part II, columns (i) through (k), as appropriate
- If you are treating items on your tax return differently from the way the partnership or S corporation reported the items on its return you may have to file **Form 8082**
- If you are claiming a deduction for recovery property (section 179) from a nonpassive activity, enter the amount of this deduction in Part II, column (j)

Limits on Section 179 Deductions. The maximum you can deduct on your return for recovery property (section 179) is $10,000 For example, if you received a K 1 allocating $1,000 of section 179 expense to you, the maximum amount you can deduct from other sources that have qualifying section 179 expenses is $9,000 This limit is reduced if the total cost of the section 179 property is more than $200,000 Your deduction is also limited to the total taxable income from all your trades or businesses See Pub 534 for more details

Partnerships

If you have other partnership items relating to a passive activity or income or loss from any publicly traded partnership, see the Form 8582 instructions before entering them on your return

If you have other partnership items, such as depletion, from a nonpassive activity show each item on a separate line in Part II Show unreimbursed partnership expenses on a separate line and enter the amounts in column (i)

If you claimed a credit for Federal tax on gasoline or other fuels on your 1987 Form 1040 (based on information received from the partnership), enter as income in column (h) or column (k), whichever applies, the amount of the credit claimed in 1987

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self employment that must be reported on **Schedule SE** (Form 1040) Enter the amount from Schedule K-1 (Form 1065) line 14a, on Schedule SE, after you have reduced this amount by any allowable expenses attributable to that income

If you have losses or deductions from a prior year that you could not deduct in the prior year because of the at-risk rules or basis rules, do not combine the prior year amounts with any current year amounts to arrive at a net figure to report on Schedule E Instead, report on separate lines on Schedule E prior year amounts and current year amounts

S Corporations

Your share of the net income is **NOT** subject to self employment tax Also, distributions of prior year accumulated earnings and profits of S corporations are dividends and are reported on **Schedule B** (Form 1040) For more information, get **Pub. 589**, Tax Information on S Corporations

If you are a shareholder claiming a deduction for your share of the S corporation's net operating loss, attach to your return a computation of the adjusted basis of your stock in the corporation and the adjusted basis of any debt the corporation owes you Your deduction is limited to that amount However any amount not allowed this year may be carried forward and deducted in a later year in which you have sufficient basis in the stock and debt See Pub 589 for information on adjustments to basis

Estates and Trusts

If you are a beneficiary of an estate or trust, use Part III to report your part of the income (whether you received it or not) or loss You should receive a **Schedule K-1** (Form 1041) from the fiduciary Do not attach that schedule to your return Keep it for your records Your copy of Schedule K 1 and its instructions will tell you where on your return to report the items from Schedule K 1

Caution: *Future regulations will explain how to determine whether you should show amounts reported to you on Schedule K 1 (Form 1041) as amounts from passive activities*

If you have estimated taxes credited to you from a trust (Schedule K 1 line 11a), write "ES payment claimed" and the amount on the dotted line to the left of the line 37 entry space **Do not** include this amount in the total on line 37, instead, enter the amount on Form 1040, line 55

A U S person who transferred property to a foreign trust may have to include in income the income received by the trust as a result of the transferred property if, during 1988, the trust had a U S beneficiary For more information, get **Form 3520-A**, Annual Return of Foreign Trust With U S Beneficiaries

Part IV

Income or Loss From REMICs

If you are a residual holder of a Real Estate Mortgage Investment Conduit (REMIC), use Part IV to report your total share of the REMIC's taxable income or loss for each quarter included in your tax year You should receive **Schedule Q** (Form 1066) and instructions from the REMIC for each quarter Do not attach the schedule(s) to your return, but keep them for your records

REMIC income or loss reported on Schedule E is not income or loss from a passive activity

Note: *If you are a regular holder of a REMIC, do not use Schedule E to report the income you received Instead, report that income on Form 1040, line 8a*

If you are a residual holder in more than one REMIC, attach a continuation sheet using the same format as shown in Part IV. Enter the totals of columns (d) and (e) on line 38 of Schedule E. If you also completed Part I on more than one Schedule E, use the same Schedule E that you used to enter the combined totals in Part I.

If you are treating REMIC items on your tax return differently from the way the REMIC reported the items on its return, you may have to file **Form 8082**.

Column (c). Report the total of the amounts shown on Schedule(s) Q, line 2c, in Part IV, column (c). This total is the smallest amount of taxable income you may report on Form 1040, line 37, for 1988. If the taxable income you would show on Form 1040, line 37, is **smaller** than the total reported in column (c), you **must** enter the amount from column (c) on Form 1040, line 37. Write "Sch. Q" on the dotted line to the left of line 37 on Form 1040.

Caution: *Do not include the amount shown in column (c) in the total on line 38 of Schedule E.*

Column (e). Report the total of the amounts shown on Schedule(s) Q, line 3b, in Part IV, column (e). If you itemize your deductions on Schedule A (Form 1040), include this amount on line 21 of Schedule A.

Part V

Line 39

In certain situations, you must report as income on line 39 the amount of any credit or refund of overpaid windfall profit tax you received in 1988 for tax year 1987, based on overwithholding or the net income limitation.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1987 on Schedule E, and received a tax benefit for the deduction on your 1987 tax return. For more information, see the instructions for **Form 6249**, Computation of Overpaid Windfall Profit Tax.

Line 40

If you are a cash method taxpayer, deduct on line 40 the amount of windfall profit tax actually withheld in 1988.

Note: *The windfall profit tax does not apply to crude oil removed after August 22, 1988.*

Part VI

Line 43

Enter on this line your total share of gross farming and fishing income as shown on Form 4835, line 8; Schedule K-1 (Form 1065), line 14b; Schedule K-1 (Form 1120S), line 20; and Schedule K-1 (Form 1041), line 11.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests.

1. your gross farming or fishing income for 1987 or 1988 is at least two-thirds of your gross income, and

2. you file your 1988 tax return and pay the tax due by March 1, 1989.

Instructions for

Schedule C

Profit or Loss From Business

Purpose

If you operated a business or practiced a profession as a sole proprietorship, complete **Schedule C**. If you had more than one business, or if you and your spouse had separate businesses, you must complete a Schedule C for each business. Farmers should use **Schedule F**.

Filers of Forms 1041 and 1041S. Do not complete the block labeled "Social security number." Instead, enter your employer identification number on line D.

Other Schedules and Forms You May Have To File

Schedule A to deduct interest, taxes, and casualty losses not related to your business.

Schedule SE to pay social security self-employment tax on income from any trade or business unless you are specifically exempted.

Form 8594 to report certain purchases or sales of groups of assets that constitute a trade or business.

Form 4797 to report sales, exchanges, and involuntary conversions (other than casualty or theft) of trade or business property.

Form 4684 to report a casualty or theft involving trade or business, or income producing property.

Form 3115 to change your method of accounting. ***Note:*** *If you had to change your method of accounting as a result of the capitalization rules, you must file Form 3115 and a Section 263A checklist with your return. If you did not file these items with your 1987 return, file them with your 1988 return. For exceptions and more details, including the Section 263A checklist, get* ***Pub. 1426****, Automatic Change in Method To Comply With Section 263A.*

Information Returns. You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. You may also have to file an information return if you sold $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other basis for resale. For more information, get **Pub. 916**.

If you received cash of more than $10,000 in one or more related transactions in the course of your trade or business, you may have to file **Form 8300**.

Additional Information

Get **Pub. 334**, Tax Guide for Small Business, for more details on business income and expenses.

Line A

Describe the business or professional activity that provided your principal source of income reported on Part I, line 1a. Give the general field or activity and the type of product or service. If your general field or activity is wholesale or retail trade, or services connected with production services (mining, construction, or manufacturing), also give the type of customer or client. For example: "wholesale sale of hardware to retailers" or "appraisal of real estate for lending institutions."

Line B

Enter on this line the 4-digit code that identifies your principal business or professional activity. See Part IV on page 2 of Schedule C for the list of codes.

Line C

Use your home address only if you actually conducted the business from your home. Show a street address instead of a box number.

Line D

You don't need an employer ID number unless you had a Keogh plan or were required to file an employment, excise, fiduciary, or alcohol, tobacco, and firearms tax return.

Line E

Your inventories can be valued at:

- cost,
- cost or market value, whichever is lower or
- any other method approved by the Commissioner of Internal Revenue.

Line F

You must use the cash method on your return unless you kept accounting books. If you kept such books, you can use the cash method or the accrual method. For long-term contracts entered into after February 28, 1986, special rules apply. See Internal Revenue Code section 460 for details. The method used must clearly reflect your income.

To change your accounting method (including treatment of inventories), you must usually first get permission from IRS. In general, file **Form 3115** (1988 revision) within the first 180 days of the tax year in which you want to make the change.

If you use the **cash method**, show all items of taxable income actually or constructively received during the year (in cash, property, or services). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use.

If you use the **accrual method**, report income when you earn it and deduct expenses when you incur them, even if you do not pay them during the tax year.

Accrual-basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules determine the timing of deductions based on economic performance. Get **Pub. 538**, Accounting Periods and Methods.

Line H

Business Use of Your Home

Within certain limits, you may deduct business expenses that apply to a part of your home **only** if that part is exclusively used on a regular basis:

1. as your principal place of business for any of your trades or businesses, or

2. as a place of business used by your patients, clients, or customers to meet or deal with you in the normal course of your trade or business, or

3. in connection with your trade or business if it is a separate structure that is not attached to your home.

You may also deduct expenses that apply to space within your home if it is the **only** fixed location of your trade or business. The space must be used on a regular basis to store inventory from your trade or business of selling products at retail or wholesale.

If you use space in your home on a regular basis in your trade or business of providing day care service, you may be able to deduct the business expenses even though you use the same space for nonbusiness purposes.

Limit on Deductions. Certain expenses for the business use of your home are limited to the gross income from the business use minus the total of the following deductions:

1. The business part of your deductible mortgage interest, real estate taxes, and casualty losses.

2. Your other business deductions, such as wages and supplies, that are not related to the business use of the home.

The expenses to which the limit applies, and the order in which they must be deducted, are listed below:

- Your expenses for the business use of your home, other than those listed in 1 above, that are related to the use of the home itself. These include maintenance, utilities, and insurance.
- Depreciation.

Generally, any amount you cannot deduct for 1988 because of this limit may be taken into account for 1989. Get **Pub. 587** for details. Also get **Pub. 936**, Limits on Home Mortgage Interest Deduction, to see how much interest you can deduct.

Line I

Passive Activity Losses

Generally, you can deduct losses from passive activities only to the extent of income from passive activities.

A passive activity generally is any activity involving the conduct of a trade or business if you do not materially participate in the activity. You materially participate in a trade or business activity for the tax year if you satisfy any of the following tests:

1. You participated in the activity for more than 500 hours during the tax year.

2. Your participation in the activity for the tax year was substantially all of the participation in the activity of all individuals (including individuals who do not own any interest in the activity) for the tax year.

3. You participated in the activity for more than 100 hours during the tax year, and you participated at least as much as any other person for the tax year. This includes individuals who do not own any interest in the activity.

4. The activity is a significant participation activity for the tax year, and you participated in all significant participation activities during the year for more than 500 hours. An activity is a "significant participation activity" if it involves the conduct of a trade or business, you participated in the activity for more than 100 hours during the tax year, and you do not materially participate in the activity under tests 1, 2, 3, 5, 6, or 7.

5. You materially participated in the activity for any five (whether or not consecutive) of the prior ten tax years.

6. The activity is a personal service activity in which you materially participated for any three (whether or not consecutive) prior tax years. A personal service activity is an activity that involves performing personal services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting, or any other trade or business in which capital is not a material income-producing factor.

7. Based on all the facts and circumstances, you participated in the activity on a regular, continuous, and substantial basis during the tax year. You do not materially participate in an activity under this test, however, if—

a. You participated in the activity for 100 hours or less during the tax year, or

b. Any person besides yourself received compensation for performing management services in connection with the activity, or

c. Any individual besides yourself spent more hours during the tax year than you spent performing management services in connection with the activity (regardless of whether the individual was compensated for the management services).

If you meet any of the above tests, check the "Yes" box.

Exception for oil and gas: The passive loss rules do not apply to oil and gas wells in which you have a working interest and in which your liability is not limited. In this case, check "Yes" to Question I, even if you did not materially participate.

Check the "No" box if you did not materially participate. If you checked "No" and you claim a loss for this business, you must figure any allowable loss on **Form 8582**, Passive Activity Loss Limitations, and enter it on Schedule C, line 31. If you have prior year unallowed passive activity losses, see the instructions for Form 8582.

For more details, get **Pub. 925**, Passive Activity and At-Risk Rules.

Line J

Tax Shelter. If you claim or report any deduction, loss, credit, other tax benefit, or income on Schedule C from an interest purchased or otherwise acquired in a tax shelter required to be registered, you **must** check the box on line J, and file **Form 8271**.

Part I

Income (Lines 1a through 5)

Line 1a

Enter gross receipts or sales from your business. Be sure to include on this line amounts you received in your trade or business as shown on **Form(s) 1099-MISC**.

Installment Sales. Generally, for sales after December 31, 1987, the installment method may no longer be used to report income from the sale of: (1) personal property regularly sold under the installment method, or (2) real property held for resale to customers. But the installment method may be used to report income from sales of certain residential lots and timeshares if you elect to pay interest on the tax due on that income after the year of sale. See Internal Revenue Code section 453(l)(2) for details. If you make this election, include the interest on Form 1040, line 39. Also write "453(l)(3)" and the amount of the interest on the dotted line to the left of line 39.

Also, starting in 1988, any gain not yet recognized from an installment sale after February 28, 1986, of property listed in (1) or (2) above must generally be included in income over a period not to exceed 4 years. See Revenue Procedure 84-74, 1984-2 C.B. 736, to figure the amount to include each year.

If you use the installment method, attach a schedule to your return. Show separately for 1988 and the 3 preceding years: gross sales, cost of goods sold, gross profit, percentage of gross profit to gross sales, amounts collected, and gross profit on amounts collected.

Line 1b

Enter on line 1b such items as returned sales, rebates, and allowances from the sales price.

Line 4

In certain situations, you must report as income on line 4 any credit or refund of overpaid windfall profit tax received in 1988 for tax year 1987, based on overwithholding or the net income limitation. In general, the credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1987 on Schedule C, and received a tax benefit for the deduction on your 1987 tax return. Get the instructions for **Form 6249**, Computation of Overpaid Windfall Profit Tax, for details.

Note: *The windfall profit tax does not apply to crude oil removed after August 22, 1988.*

Also report on line 4 amounts from finance reserve income, scrap sales, bad debts you recovered, interest (such as on notes and accounts receivable), credit for Federal tax on gasoline or other fuels claimed on your 1987 Form 1040, and other kinds of miscellaneous business income.

If you have listed property that you placed in service after June 18, 1984, and the business use percentage decreased to 50% or less in 1988, report on this line any recapture of excess depreciation, including the section 179 expense deduction. Use **Form 4797** to figure the recapture.

Part II

Deductions (Lines 6 through 29)

Capitalizing Costs of Property

If you produced real or tangible personal property or acquired property for resale, certain expenses attributable to the property must be included in inventory costs or capitalized. In addition to direct costs, producers of inventory property must also include part of certain indirect costs in

their inventory. Purchasers of personal property acquired for resale must include part of certain indirect costs in inventory only if the average annual gross receipts for the 3 prior tax years exceed $10 million. Also, part of the indirect costs that benefit real or tangible personal property constructed for use in a trade or business or noninventory property produced for sale to customers, must also be capitalized. Reduce the amounts on lines 6–29 by amounts capitalized. For more details, see **Pub. 538**.

Exception for Creative Property. If you are an artist, author, photographer, or have a similar occupation in which you produce creative property, you may be able to elect to amortize and deduct certain expenses over a 3 year period. You may make this election only if your personal efforts are primarily responsible for the creation of the property. For more details, including a list of qualifying property, see Pub. 538.

Caution: *Pending legislation would exempt most creative property from the capitalization rules. Get* ***Pub. 553*** *to find out whether this legislation was passed.*

Line 7

Caution: *Cash method taxpayers cannot take a bad debt deduction unless the amount was previously included in income.*

Include debts and partial debts arising from sales or services that were included in income and are definitely known to be worthless.

If you later collect a debt that you deducted as a bad debt, include it as income in the year collected.

Note: *If you used the reserve method prior to 1987 to figure your bad debts, any balance you had in the reserve account at the end of 1986 must be included in your income ratably over a 4 year period.*

For details, get **Pub. 548**, Deduction for Bad Debts.

Line 9

You can deduct the actual cost of running your car or truck, or take the standard mileage rate. You **must** use actual costs if you use more than one vehicle in your business. If you deduct actual costs, show depreciation on line 12.

Note: *If you claim any car expenses (actual costs or the standard mileage rate), you must complete Part III of* ***Form 4562****, Depreciation and Amortization.*

The standard mileage rate is 24 cents a mile up to 15,000 miles for 1988, and 11 cents for each mile after that. Add to this amount your parking fees and tolls.

For cars and trucks that have been fully depreciated, the rate is 11 cents a mile.

If you use the standard rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum standard mileage rate. For details, get **Pub. 917**, Business Use of a Car.

Note: *If you use certain highway trucks, truck trailers, tractor trailers, or buses in your trade or business, you may have to pay a Federal highway use tax. Get* ***Form 2290****, Heavy Vehicle Use Tax Return, to see if you owe this tax.*

Line 11

Enter your deduction for depletion on this line. If you have timber depletion, attach **Form T**. Get **Pub. 535** for details.

Line 12

You can deduct an amount each year for assets you buy to use in your business. The deduction for depreciation does not apply to stock in trade, inventories, land, and personal assets. You may also choose under section 179 to expense part of the cost of certain depreciable property you bought in 1988 for use in your business. Figure your depreciation deduction, including the section 179 expense deduction, on Form 4562.

The depreciation deduction for cars, including any section 179 deduction, is limited. For example, if you used your car 100% for business, and placed the car in service in 1988, your deduction is limited to $2,560. The allowable amounts are further limited if your business use is less than 100%. If you claim depreciation for any cars or other listed property, you must complete Part III of Form 4562. See the instructions for Form 4562 and **Pub. 534** for details.

If you have listed property (such as a car or light truck) that you placed in service after June 18, 1984, and the business use percentage of the property decreased to 50% or less during 1988, you may have to recapture excess depreciation, including any section 179 expense deduction. Get **Form 4797** and its instructions for details.

If you took an investment credit on property that you dispose of before the end of its class life or life years, the business use percentage decreases, or the property use otherwise changes so that it no longer qualifies, you may have to refigure the credit. Get **Form 4255**, Recapture of Investment Credit, for details.

Line 14

Deduct contributions that are not an incidental part of a pension or profit sharing plan included on line 21. Also include contributions to insurance, health, and welfare programs.

Note: *You may be able to deduct part of the amount paid for health insurance for you and your family even if you don't itemize your deductions. See the instructions for Form 1040, line 26.*

Lines 17a and 17b

Interest Allocation Rules. The tax treatment of interest expense differs depending on its type. For example, personal interest, home mortgage interest and investment interest are all treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted on the right place of your return (or capitalized) and gets the proper tax treatment. These rules could affect how much interest you deduct on Schedule C.

Generally, you allocate interest expense by tracing how the proceeds of the loan are used. See **Pub. 535** and **Pub. 545** for details.

If you paid interest on a debt secured by your main home, and any of the proceeds from that debt were used in connection with your trade or business, see Pub. 545 to figure the amount that is deductible on Schedule C.

If you paid interest that applies to future years, deduct for 1988 only the part that applies to 1988.

If you have a mortgage on real property used in your business (other than your main home), enter on line 17a the interest you paid for 1988 to banks or other financial institutions. If you paid $600 or more of interest on this mortgage, you should receive a **Form 1098**, Mortgage Interest Statement, or similar statement. It shows the total interest received from you during 1988. You should receive this statement by January 31, 1989. If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin, next to line 17a, write "See attached."

If you paid more mortgage interest to financial institutions than is shown on Form 1098, or similar statement, get Pub. 545 to see if you can deduct the additional interest. If you can, attach a statement to your return explaining the difference and write "See attached" in the left margin next to line 17a.

Do not deduct interest you paid or accrued on debts allocable to investment property. This interest is generally deducted on **Schedule A**. For details, get **Pub. 550**, Investment Income and Expenses.

Line 21

Enter your deduction for contributions to a pension, profit sharing, or annuity plan, or plans for the benefit of your employees. If the plan includes you as a self employed person, enter contributions made as an employer on your behalf on Form 1040, line 27, not on Schedule C.

Generally, you must file one of the following forms if you maintain a pension, profit sharing, or other funded deferred compensation plan. The filing requirement is not affected by whether or not the plan qualified under the Internal Revenue Code or whether or not you claim a deduction for the current tax year.

Form 5500 — Complete this form for each plan with 100 or more participants.

Form 5500-C, 5500-R, or 5500EZ.— Complete the applicable form for each plan with less than 100 participants.

There is a penalty for failure to timely file these forms.

For more information, get **Pub. 560**, Self Employed Retirement Plans.

Line 23

Deduct the cost of repairs including labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. Do not deduct amounts spent to restore or replace property. They are chargeable to capital accounts or to the depreciation reserve, depending on how depreciation is charged on your books.

Line 25

You can deduct the following taxes:

- Real estate and personal property taxes on business assets.
- Social security taxes paid to match required withholding from your employees' wages. Also, Federal unemployment tax paid.

- If you hold an operating oil, gas, or mineral interest, and you are a cash method taxpayer, deduct on line 25 the windfall profit tax actually withheld in 1988. **Form 6248** shows this amount.
- Federal highway use tax.

Do not deduct:

- Federal income taxes.
- Estate and gift taxes.
- Taxes assessed to pay for improvements such as paving and sewers.
- Taxes on your home or personal property.
- State and local sales taxes (treat instead as part of the cost of the property).
- Other taxes not related to your business.

Lines 26a through 26d

You may deduct only 80% of your business related meal and entertainment expenses, including meals incurred while traveling away from home on business. This rule also applies to meal and entertainment expenses for which you reimburse your employees, but only if you do not treat the reimbursement as wages subject to withholding.

Business meal expenses are deductible only if they are: (1) directly related to or associated with the active conduct of your trade or business, (2) not lavish or extravagant, and (3) incurred while you or your employee is present at the meal.

There are exceptions to these rules as well as other rules that apply to sky box rentals, tickets to entertainment events, and luxury water travel. Get **Pub. 463**.

You cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) used for any activity usually considered entertainment, amusement, or recreation.

Note: *You may be able to deduct the expense if the amount is treated as compensation and reported on* ***Form W-2*** *for an employee or* ***Form 1099-MISC*** *for an independent contractor. See Pub. 463.*

Foreign Conventions. Generally, you cannot deduct expenses for attending a foreign convention unless it is directly related to your trade or business and it is as reasonable for the meeting to be held outside the North American area or Jamaica as within it. These rules apply to both employers and employees. See Pub. 463.

Line 26b. Enter your total meal and entertainment expense.

Line 26c. Figure how much of the amount on line 26b is subject to the 80% limit. Then, multiply this amount by 20% (.20) and enter the result on 26c.

Lines 28a and 28b

Enter on line 28a the total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year. Do not include amounts paid to yourself.

Caution: *If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses claimed elsewhere.*

Enter on line 28b the jobs credit from **Form 5884**, Jobs Credit.

Line 29

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal living and family expenses. List the type and amount of each expense separately. Enter one total in the line 29 entry space.

Any loss from this activity that was not allowed as a deduction last year because of the at-risk provisions is treated as a deduction allocable to this activity in 1988.

Amortization. Use **Form 4562** to figure your amortization deduction. Include on line 29 of Schedule C the amount from Form 4562, Part II.

You may amortize:

- The cost of pollution control facilities.
- The cost to rehabilitate qualified low income housing if the rehabilitation began before 1987. If it began after 1986, you may be able to take a tax credit. Get **Pub. 535** and **Form 8586**, Low Income Housing Credit, for more details. Also, see **Pub. 925** for information on the passive activity loss rules as they apply to low income housing.
- Amounts paid for research and experiments.
- Amounts paid before 1987 for trademarks and trade names.
- Certain business startup costs.
- Qualified forestation and reforestation costs.

You can deduct up to $35,000 of costs paid or incurred in 1988 to remove architectural or transportation barriers to the handicapped and elderly. See **Pub. 535**.

You can depreciate your leasehold improvement costs for leased business property. See Pub. 535.

In general, you may not amortize real property construction period interest and taxes. Special rules apply for allocating interest to real or personal property produced in your trade or business. See Pub. 535.

Line 31

If you have a loss, the amount of loss you can deduct this year may be limited. Go on to lines 32a and 32b before entering your loss on line 31. If you answered "No" to Question I on Schedule C, also see **Form 8582**. Enter the net profit or **deductible** loss here and combine this amount with the profit or loss from your other businesses, if any. Enter the total on Form 1040, line 12 and Schedule SE, line 2 (or Form 1041, line 5, or Form 1041S, line 5).

Lines 32a and 32b

At-Risk Rules

Deductions for losses by persons who are engaged in a trade or business or an activity for the production of income, including the holding of real property (other than mineral property), are limited to the amount they have at risk in the business.

If (1) you have a loss from any activity that you engaged in as a trade or business or for the production of income, including the holding of real property (other than mineral property) placed in service after December 31, 1986, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss.

Check **box 32b** if you have amounts for which you are not at risk for this business such as the following:

1. nonrecourse loans used to finance your business, to acquire property used in your business, or to acquire your interest in the business, unless they are secured by property not used in your business or by certain real property used in an activity of holding real property, or

2. amounts protected against loss by a guarantee, stop loss agreement, or similar arrangement, or

3. loans from someone who has an interest in your business (other than as a creditor) or who is related (under section 465(b)(3)(C)) to a person (other than yourself) having such an interest, or

4. amounts contributed to your business, or to your interest in the business that is covered by:

- nonrecourse loans or protected against loss by a guarantee, stop loss agreement, or similar arrangement, or
- loans from a person described in 3 above.

If you do not have any of these kinds of amounts for which you are not at risk in this business, check **box 32a** and enter your loss on line 31 unless you answered "No" to Question I. In this case, you must complete **Form 8582** to figure your allowable loss to enter on line 31.

If you checked **box 32b**, get Form 6198 to determine the amount of your deductible loss and enter that amount on line 31. But if you answered "No" to Question I, your loss may be further limited. See Form 8582. If your at risk amount is zero or less, enter zero on line 31. Be sure to attach Form 6198 to your return. If you checked box 32b and you fail to attach Form 6198, processing of your tax return may be delayed.

If, in addition to the amount that you report on Schedule C, you dispose of an asset used in an activity to which the at risk rules apply and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

Any loss from this business not allowed for 1988 because of the at risk rules is treated as a deduction allocable to the business in 1989. For more details, see Form 6198 and **Pub. 925**.

Part III

Cost of Goods Sold and/or Operations

Certain expenses must be capitalized or included in inventory. See the instructions for Part II.

Cost of Goods Sold. If you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income producing factor, merchandise inventories must be taken into account at the beginning and end of your tax year.

Cost of Operations (Inventories Not an Income Producing Factor). If the amount on line 2, Part I, includes the cost of operations, complete lines 1 through 8 of Part III as appropriate.

Instructions for Schedule SE

Social Security Self-Employment Tax

Purpose

If you are subject to self-employment tax, use Schedule SE to figure any tax due on net earnings from self-employment You may also have to pay this tax on wages you were paid as an employee of an electing church or qualified church-controlled organization The Social Security Administration uses the information from Schedule SE to figure your benefits under the social security program This tax applies no matter how old you are It applies even if you are already getting social security benefits

Get **Pub. 533**, Self Employment Tax, for details

Note: *The Schedule SE has two sections Section A, Short Schedule SE and Section B, Long Schedule SE*

Who *Must* File Schedule SE

You must file Schedule SE if a and b below apply to you

a. You were self employed, and your net earnings from your business were $400 or more (Or you had wages of $100 or more as an employee of an electing church or organization controlled by a church) AND

b. You did not have wages (including tips), other than medicare qualified government wages, of $45,000 or more that were subject to social security tax or railroad retirement tax

Who Can File Schedule SE

Even if you are not required to file Schedule SE, it may be to your benefit to file it and use the "optional method" in Section B

Note: *Using the optional method may give you the benefits described below, but it will also increase your self-employment tax*

How can the optional method help you?

1 Social security coverage —The optional method may give you credit toward your social security coverage even though you have a loss or low income from self-employment

2 Earned income credit.—Depending on your circumstances, using the optional method may qualify you to claim the earned income credit or give you a larger credit This could happen if your SE earnings by not using the optional method are less than $1,600 Figure the earned income credit with and without using the optional method to see if the optional method will benefit you

3 Child and dependent care credit — The optional method may also help you if your SE earnings are less than $1,600 and you want to increase your net SE earnings to qualify to claim the child and dependent care credit

Who Is Subject to Self-Employment Tax?

Self-Employed Persons. You are subject to SE tax if you had net earnings from being self-employed If you are in business for yourself, or are a farmer, for example, you are self-employed

Your shares of certain partnership income and guaranteed payments are subject to SE tax Read the Partnership instructions on page 38

Employees of Churches and Church Organizations. If you were an employee of a church or qualified church-controlled organization that has in effect a certificate electing exemption from employer social security taxes, you may be subject to SE tax on your wages This applies if the wages were $100 or more from any one church or church-controlled organization See line B at the top of the long SE If you also have medicare qualified government wages, you must use the worksheet for line 6b The worksheet is on page 39 of the instructions

U.S. Citizens Employed by Foreign Governments or International Organizations. You are subject to SE tax if you are a U S citizen employed

- in the United States, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Virgin Islands,
- by a foreign government, and
- in certain cases, by a wholly-owned instrumentality of a foreign government or by an international organization under the International Organizations Immunities Act Report income from this employment on Schedule SE (Section A or B), line 2 If you are employed by a foreign government or an international organization in a country other than those listed, you are not subject to this tax

U.S. Citizens or Resident Aliens Living Outside the United States. If you are a self-employed U S. citizen or resident alien living outside the United States, in most cases you are subject to the self-employment tax You may reduce your foreign earnings from self-employment by the deduction for certain foreign housing costs But you may not reduce your foreign earnings from self-employment by your foreign earned income exclusion

Coverage for Overseas Missionaries. You may figure net earnings from self-employment as if you were in the United States if

- You are a U S citizen, and
- You were a minister (but not a Christian Science practitioner) or a member of a religious order serving outside the United States, and
- You are not exempt from SE tax because you filed **Form 4361**, Application for Exemption from Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners Get Pub S17 for more details

Who Is Not Subject to Self-Employment Tax?

Members of the Clergy and Certain Religious Orders and Sects. In most cases you are subject to SE tax on your net earnings you get as a minister, a member of a religious order who has not taken a vow of poverty, or a Christian Science practitioner But you will not be subject to the tax on those net earnings if you filed Form 4361 and IRS approved you as exempt from the tax In this case, if you have no other income subject to SE tax, write "Exempt—Form 4361" on Form 1040, line 48 However, if you have other earnings of $400 or more subject to SE tax, see line A at the top of the long SE ***Note:*** *If you have ever filed Form 2031 to elect social security coverage on your earnings as a minister, you cannot change that election now*

If you have conscientious objections to social security insurance because of your belief in the teachings of a recognized religious sect of which you are a member, you are not subject to the tax if you got IRS approval by filing **Form 4029**, Application for Exemption From Tax on Self-Employment Income and Waiver of Benefits In this case, do not file Schedule SE Instead, write "Exempt—Form 4029" on Form 1040, line 48 ***Note:*** *Do not file Form 4029 for wages you get from a church or church-controlled organization that has chosen to treat its employees as self employed*

General Information

Fiscal Year Filers.—If your tax year is a fiscal year, you must use the tax rate and earnings base that apply at the time the fiscal year begins The tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change is not prorated

More Than One Business.—If you farmed and had at least one other business or you had two or more businesses, your net earnings from self employment are the combined net earnings from all your businesses If you had a loss in one business, it reduces the income from another Figure the combined SE tax on one Schedule SE

Joint Returns.—Show the name of the spouse with SE income on Schedule SE If both spouses have SE income, each must file a separate Schedule SE If one spouse qualifies to use the short SE, and the other has to use the long SE, both can use one Schedule SE One spouse should complete the front and the other the back

Include the total profits or losses from all businesses on Form 1040, as appropriate Then enter the combined SE tax on Form 1040, line 48

Community Income.—In most cases, if any of the income from a business, (including farming) is community income, all of the income from that business is SE earnings of the spouse who carried on the business The identity of the spouse who carried on the business is determined by the facts in each case If you and your spouse are partners in a partnership, see the instructions for Partnerships on page 38

If you and your spouse have community income and file separate returns, attach Schedule SE to the return of the spouse with the SE income Also attach Schedule(s) C and/or Schedule(s) F

Caution: *Community income included on Schedule(s) C or F must be divided for income tax purposes on the basis of the community property laws*

Specific Instructions

Read the top of page 1 of the form to see if you can use ***Section A, Short Schedule SE,*** or if you must use ***Section B, Long***

Schedule SE. For either section, you need to know what to include as net earnings from self employment Read below to see what to include as net earnings and how to fill in lines 1 and 2 of either the short or long SE

Name of Self-Employed Person. Enter the name and social security number of the self employed person as it appears on that person's social security card

Net Earnings From Self-Employment

What is included in net SE earnings? In most cases, net earnings include your net profit from a farm or nonfarm business If you are a partner in a partnership, see the instructions below

Do not report on lines 1 and 2 any income or expense not included in figuring net SE earnings If you are a partner, reduce lines 1 and 2 for any deduction for recovery property (section 179), oil or gas depletion, or unreimbursed partnership expenses You must attach a statement to explain why you are not including certain items of income or expense

If you deposited earnings into a capital construction fund set up under the Merchant Marine Act of 1936, get **Pub. 595**.

If you are a duly ordained minister who is an employee of a church and you are subject to SE tax, the unreimbursed business expenses that you incurred as a church employee are allowed only as an itemized deduction They are deducted from your SE earnings in figuring SE tax However, special rules apply Get **Pub. 517**.

Partnerships

If you are a general partner, include in your total net earnings your share of partnership income or loss from the trade or business Also include any guaranteed payments your partnership paid you for your personal services If you are a limited partner, only include guaranteed payments Line 14a of Schedule K 1 (Form 1065) should show net earnings for either general or limited partners

If your partnership is engaged solely in the operation of a group investment program, earnings from the operation are not self-employment earnings for either the general or limited partner

If you are married and both you and your spouse are partners in a partnership, each of you is subject to SE tax on your own share of partnership income Each of you must file a Schedule SE and report the partnership income or loss on Schedule E (Form 1040), Part II, for income tax purposes

SE income belongs to the person who is the member of the partnership and cannot be treated as SE income by the nonmember spouse This applies even in community property states

If a partner in an ongoing partnership dies, that member's share of partnership ordinary income or loss for the year must be included in the partner's net SE earnings

Share Farming

You are considered self-employed if you produced crops or livestock on someone else's land for a share of the crops or livestock produced (or the proceeds from them) This is true even if you had another person ("agent") doing the actual work or management for you Report your net earnings for income tax purposes on Schedule F and for SE tax purposes on Schedule SE For more details, get **Pub. 225**, Farmer's Tax Guide

Other Income Included in Net Earnings From Self-Employment

- Rental income from a farm, if as landlord, you participated materially in the production or management of the production of farm products on this land This income is farm earnings (To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you) The material participation tests are explained in Pub 225
- Cash or a payment in kind from the Department of Agriculture for being in a land diversion program.
- Payments for the use of rooms or other space when you also provided substantial services Examples are hotel rooms, boarding houses, and tourist camps, or homes
- Payments for space in parking lots, trailer parks, warehouses, or storage garages
- Income from the retail sale of newspapers and magazines if you are 18 or over and kept the profits
- Income as a crew member of a fishing vessel with a crew of normally less than 10 people Get Pub 595.
- Fees as a state or local government employee if you were paid only on a fee basis and the job was not covered under a Federal-State social security coverage agreement.
- Interest received in the course of any trade or business, such as interest on notes or accounts receivable
- The rental value of a home or an allowance for a home furnished you as a minister or a member of a religious order
- The value of meals and lodging given to you for the convenience of your employer if you are a minister or member of a religious order
- Fees and other payments received by you as a director of a corporation for services as a director Beginning in 1988, director's earnings are treated as received when the services are performed, regardless of when paid, for SE tax purposes

Caution: *At the time these instructions were printed, legislation was pending that would prevent this change from going into effect Get* ***Pub. 553****, Highlights of 1988 Tax Changes, to find out whether this law was passed*

- Recapture amounts under sections 179 and 280F that you included in gross income because the business use of the property dropped to 50% or less. Do not include amounts you recaptured on the disposal of property See **Form 4797**, Sales of Business Property
- Fiduciaries' fees you received as a professional fiduciary This may also apply to fees you got as a nonprofessional fiduciary if the fees relate to active participation in the operation of the estate's business, or the management of an estate that required extensive management activities over a long period of time

Option and commodity dealers engaged in trading section 1256 contracts, see section 1402(i) to figure net SE earnings

Income Not Included in Net Earnings From Self-Employment

- Salaries, fees, etc., subject to social security tax that you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained under **Other Income Included in Net Earnings From Self-Employment**) or as an employee or employee representative under the railroad retirement system
- Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments if you had no other interest in the partnership and did not perform services for it during the year
- Income from real estate rentals (including rentals paid in crop shares), if you did not get the income in the course of a trade or business as a real estate dealer This includes cash and crop shares received from a tenant or sharefarmer You should report this income on Schedule E, Part I.
- Dividends on shares of stock and interest on bonds, notes, etc., if you did not get the income in the course of your trade or business as a dealer in stocks or securities
- Gain or loss from.

  a. the sale or exchange of a capital asset;

  b. the sale, exchange, involuntary conversion, or other disposition of property unless the property is stock-in-trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business, or

  c. certain transactions in timber, coal, or domestic iron ore
- Net operating losses from other years.

Medicare Qualified Government Employment

Section B, Long Schedule SE, line 5a

Medicare qualified government wages are wages you get as a Federal, state, or local government employee that are subject ONLY to the 1 45% medicare tax If you received such wages, do NOT include them as social security wages on Schedule SE, line 5a Wages you enter on line 5a are wages subject to the old-age, survivors, and disability insurance tax as well as the 1 45% medicare tax

Note: *Also see the instructions for Form 1040, line* ***60****, to see if you should file* ***Form 4469****, Computation of Excess Medicare Tax Credit*

Figure your SE tax using the rate below line 7 of Section B if you do not have to use the worksheet below Do not reduce the rate by the medicare tax rate But you must use the worksheet and skip line 7 of Section B if

a. you had medicare qualified government wages as explained above; and

b. the total of the amounts on lines 3a, 3b, 5c, 6b, and 6c of Schedule SE is more than $45,000

Worksheet—(Keep for your records)

1 Enter total of lines 3a, 3b, and 6c from Schedule SE	1
2 Enter line 6a from Schedule SE	2
3 Enter your medicare qualified government wages here and on line 6b of Schedule SE	3
4 Subtract line 3 from line 2 (If zero or less, enter -0-)	4
5 Multiply the smaller of line 1 or line 2 by .1051	5
6 Multiply the smaller of line 1 or line 4 by .0251	6
7 Add lines 5 and 6 Enter on line 8 of Schedule SE and on Form 1040 line 48	7

Optional Methods

Optional Method for FARM Income

Was your gross farm income for the year $2,400 or less? If it was, you can report two thirds of your gross farm income instead of your actual net earnings from farming on line 3a of Part I and line 10 of Part II

If your gross farm income was more than $2,400, and your net farm profits were less than $1,600, you can report $1,600 on line 3a of Part I and line 10 of Part II

If you can use this method, it can increase or decrease your net SE farm earnings, even if the farming business resulted in a loss There is no limit on how many times you can use this method If you use this method, you must apply it to all farm earnings from self employment for the year

You may change the method after you file your return For example, you can change from the regular method to the optional or from the optional to the regular

For a farm partnership figure your share of gross income based on the partnership agreement With guaranteed payments your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after it is reduced by all guaranteed payments of the partnership If you are a limited partner, include only guaranteed payments

Optional Method for NONFARM Income

Were your net nonfarm profits less than $1,600 and also less than two thirds of your gross nonfarm income? If they were, you may use this method if you are regularly self employed or regularly a partner You meet this requirement if you had actual net earnings from self employment of $400 or more in at least 2 of the 3 years just before the year for which you use this nonfarm method The net earnings of $400 or more could be from either farm or nonfarm earnings or both The net earnings include your distributive share of the income or loss from any of your partnerships

You may report on line 3b of Part I and line 12 of Part II two thirds of your gross nonfarm income, up to $1,600 as your net earnings, but **you may not report less than your actual net earnings from** nonfarm self employment

For a nonfarm partnership see **Optional Method for Farm Income** for details on how to figure your share of gross income

The limit for the optional method for nonfarm self employment is five years The five years do not have to be one after another

Using Both Optional Methods

Did you have both nonfarm and farm income? If you did you may use the nonfarm optional method if

a, your actual net earnings from nonfarm self employment were less than $1,600 and

b, your net nonfarm profits were less than two thirds of your gross nonfarm income

If you can use both methods, you may report less than your total actual net earnings from farm and nonfarm income but you **cannot** report less than your actual net earnings from nonfarm SE income alone

If you use both methods to figure net earnings, you **cannot** report more than $1,600 of net SE earnings

Line 10

Enter the **smaller of**

- two thirds (⅔) of the total gross income from all Schedules F line 12 and Schedules K-1 (Form 1065), line 14b **or**
- $1,600

Line 12

Enter the **smallest of**

- $1,600, **or**
- two thirds (⅔) of the total gross income from all Schedules C line 5, plus your distributive share of gross income from all nonfarm partnerships Schedules K-1 (Form 1065), line 14c, **or**
- the amount on line 5 if you also had farm income and elect the farm optional method

Instructions for Schedule F Farm Income and Expenses

Purpose

Use Schedule F to report farm income and expenses File it with Forms 1040, 1041 1041S, or 1065

Additional Information Pub 225, Farmer's Tax Guide, has samples of filled in forms and schedules and lists important dates that apply to farmers It also contains information about some of the payments under the Disaster Assistance Act of 1988

Filers of Forms 1041, 1041S, and 1065 Do not complete the block labeled "Social security number (SSN) Instead, complete the block labeled "Employer ID number (Not SSN) "

If you had to make estimated tax payments in 1988 and you underpaid your estimated tax you will not be charged a penalty if

1 your gross farming or fishing income for 1987 or 1988 is at least two thirds of your gross income AND

2 you file your 1988 tax return and pay the tax due by March 1, 1989

For more details, see Pub 225

Do not report the following income on Schedule F

- Rent based on farm production or crop shares if you did not materially participate (for self employment tax purposes) in the management or operation of the farm and the activity is a rental activity for purposes of the passive activity loss and credit limitations Report this income on **Form 4835** and **Schedule E** (Form 1040) It is not subject to self employment tax See Pub 225
- Rent from pasture land that is based on a flat charge Report this income in Part I of Schedule E But report on line 11 of Schedule F pasture income received from taking care of someone else's livestock
- Sales, exchanges, or involuntary conversions (other than casualties or thefts) of certain farm property Report this income on **Form 4797**
- Sales of livestock held for draft, breeding sport or dairy purposes Report this income on Form 4797

Use **Form 4684** to report a casualty or theft involving farm business property including livestock held for draft, breeding, sport, or dairy purposes

Filing Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, annuities, and pensions You may also have to file an information return if you sold $5,000 or more of consumer products to a person on a buy sell, deposit commission, or other basis for resale For more information, get Pub 916

In addition, if you received cash of more than $10,000 in one or more related transactions in your farming business, you may have to file **Form 8300**

Lines A and B

On line A, enter your principal crop or activity for the current year

On line B, enter one of the fifteen major agricultural activity codes listed in Part IV on page 2 of Schedule F The code you select should represent the major farm activity from which you derive the largest amount of your income **Field crop** pertains to the production of grains, such as wheat rice, feed corn, soybeans, barley rye, and lentils, and nongrains such as cotton, tobacco, sugar, and Irish potatoes **Animal specialty** includes the raising of pets or laboratory animals, such as dogs, cats, bees, and snakes

Line C

Under the **cash method,** include all income in the year you actually get it Generally, deduct expenses when you pay them If you use the cash method, check the box labeled "cash " Complete Parts I and II of Schedule F

Under the **accrual method,** include income in the year you earn it It does not matter when you get it Deduct expenses

when you incur them If you use the accrual method check the box labeled "accrual " Complete Parts II and III of Schedule F

Other rules apply that determine the timing of deductions based on economic performance Get **Pub 538,** Accounting Periods and Methods for details

Line D

You need an employer ID number only if you had a Keogh plan, or were required to file an employment, excise, fiduciary, partnership, or alcohol, tobacco, or firearms tax return

Line E

You can elect to include Commodity Credit Corporation loan proceeds as income in the year you received them instead of reporting as income the proceeds from the sale of the commodities in the year sold or in the year of forfeiture If you made this election and reported these loan proceeds as income in a prior year, check the "Yes" box on line E Otherwise, check "No " For information on how to make this election, see the instructions for lines 8a–8c

Line F

Passive Activity Losses

Generally, you can deduct losses from passive activities only, to the extent of income from passive activities

A passive activity generally is any activity involving the conduct of a trade or business if you do not materially participate in the activity See the instructions for Schedule C (Form 1040), line I, for the definition of material participation

If you meet any of the material participation tests described in the line I instructions for Schedule C, check the "Yes" box

If you are a retired or disabled farmer, *you* are treated as materially participating in a farming business if you materially participated 5 of the 8 years preceding your retirement or disability Also, a surviving spouse is treated as materially participating in a farming activity if the real property used in the activity meets the estate tax rules for special valuation of farm property passed from a qualifying decedent, and the surviving spouse actively manages the farm

Check the "No" box if you did not materially participate If you checked "No" and you claim a loss, you must figure your allowable loss on **Form 8582,** Passive Activity Loss Limitations, and enter it on Schedule F line 39

If you have prior year unallowed passive activity losses, see the instructions for Form 8582

For more details get **Pub 925,** Passive Activity and At Risk Rules

Line G

Caution: *Consider the line G election carefully It can affect future tax years as well as the current year The election also affects the tax treatment of property disposed of that was covered by the election*

Capitalization rules apply if you produce real or tangible personal property or acquire property for resale This means that certain expenses must be included in inventory costs or capitalized These expenses include

the direct costs of the property and the share of any indirect costs allocable to that property

These rules generally do NOT apply to any plant or animal produced in your farming business that has a preproductive period of 2 years or less Also, these rules generally do not apply to expenses of replanting certain crops if they were lost or damaged by reason of disease, drought, or other casualty

Even if the preproductive period of the plant or animal you produce is more than 2 years, you may elect to currently deduct these expenses But you may not make this election for the costs of planting or growing citrus or almond groves that are incurred before the close of the fourth tax year beginning with the tax year you plant them in their permanent grove

Note: *This election may not be made by tax shelters, farm syndicates, or partnerships required to use the accrual method of accounting under Internal Revenue Code section 447*

If you elect to currently deduct your preproductive period expenses, you will have to recapture these costs as ordinary income when you dispose of this property, and the alternative depreciation rules apply to property placed in service in any tax year your election is in effect You must make this election in the first tax year after 1986 during which you engage in a farming business involving the production of property subject to the capitalization rules You may not revoke this election without the consent of the Internal Revenue Service

For more information, see Pub 225

Which box should I check? Check the "Yes" box on line G if you are electing to currently deduct your preproductive period expenses Also check the "Yes" box if you made this election last year

Check the "No" box if you are capitalizing your preproductive period expenses Also check the "No" box if you chose to capitalize them last year

Check the "Does Not Apply" box if you do not have preproductive period expenses or you are not eligible to make the election

Caution: *If you are eligible to make this election but you do not check any of the boxes on line G nor enter an amount on line 37 of Schedule F, you will be treated as if you checked the "Yes" box*

Special Capitalization Rules for Certain Cattle If you raise or purchase female beef or dairy cattle, you may be able to elect to capitalize a fixed amount for each cow instead of your actual costs You may be able to make this election even if you previously elected to deduct your preproductive period expenses For more details, see Pub 225

Part I

Farm Income—Cash Method

In Part I show income received for items listed on lines 1 through 11 Count both the cash actually or constructively received and the fair market value of goods or other property received for these items

Income is constructively received when it is credited to your account or set aside for you to use

If you ran the farm yourself and received rents based on farm production or crop shares, report these rents as income on line 4

Sales of Livestock Because of Drought. If you sold livestock because of a drought, you can count the income from the sale in the year after the drought, instead of the year of the sale You can do this IF

- your main business is farming, AND
- you can show that you sold the livestock only because of the drought, AND
- your area qualified for Federal aid

Information Returns

If you received information returns (Forms 1099) showing amounts paid to you, first determine if the amounts are to be included with farm income Then, use the chart below to determine where to report the income on Schedule F Include the Form 1099 amounts with any other income reported on that line

Information return	*Where to report*
Form 1099-PATR	Line 5a
Form 1099-G	Line 7a
Form 1099-A	Line 8b
Form 1099-MISC (for crop insurance)	Line 9a

You may also receive Form 1099-MISC for other types of income In this case, report it on whichever line best describes the income For example, if you received a Form 1099-MISC for custom farming work, include this amount on line 10, "Custom hire (machine work) income "

Lines 1 and 2

On line 1 show amounts received from sales of livestock and other items bought for resale On line 2, show the cost or other basis of the livestock and other items you actually sold

Line 4

Show amounts received from sales of livestock, produce grains, and other products you raised

Lines 5a and 5b

If you received distributions from a cooperative in 1988, you should receive **Form 1099-PATR,** Statement for Recipients (Patrons) of Taxable Distributions Received From Cooperatives On line 5a show your total distributions from cooperatives This includes patronage dividends, nonpatronage dividends, per-unit retain allocations, and redemption of nonqualified notices and per unit retain allocations

Show patronage dividends received in cash, and the dollar amount of qualified written notices of allocation If you received property as patronage dividends, report the fair market value of the property as income Include cash advances received from a marketing cooperative If you get per unit retains in cash, show the amount of cash If you get qualified per unit retain certificates, show the stated dollar amount of the certificate

You do not have to include as income patronage dividends from buying personal or family items, capital assets, or depreciable assets. Enter these amounts on line 5b. If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

Lines 7a and 7b

Enter on line 7a the TOTAL of the following amounts. These are government payments you received, usually reported to you on Form 1099-G.

- Price support payments
- Diversion payments
- Cost-share payments (sight draffs)
- Payments in the form of materials (such as fertilizer or lime) or services (such as grading or building dams)
- Face value of commodity credit certificates (often called "generic" or "PIK" certificates)

On line 7b report only the taxable amount. For example, if you qualify to exclude payments received under certain cost-sharing conservation programs (see Pub. 225), do not include these payments on line 7b.

Lines 8a through 8c

Commodity Credit Corporation (CCC) Loans. Generally, you do not report CCC loan proceeds as income. However, if you pledge part or all of your production to secure a CCC loan, you may elect to report the loan proceeds as income in the year you receive them, instead of the year you sell the crop. If you make this election (or made the election in a prior year), report loan proceeds you received in 1988 on line 8a and attach a statement to your return showing the details of the loan(s).

If you made the election in a prior year to report loan proceeds as income, be sure you checked the "Yes" box on line E. Otherwise, check "No." See the instructions for line E.

What if I forfeited a CCC loan? Include the full amount forfeited on line 8b, even if you reported the loan proceeds as income.

If you did **not** elect to report the loan proceeds as income, also include the forfeited amount on line 8c.

If you did elect to report the loan proceeds as income, you generally will not have an entry on line 8c. But if the amount forfeited is different from your basis in the commodity, you may have an entry on line 8c.

What if I repaid a CCC loan with CCC certificates? Include on line 8b the amount of any CCC loan you repaid with certificates, even if you reported the loan proceeds as income.

If you did **not** elect to report the CCC loan proceeds as income, include on line 8c the amount of the loan you repaid with the certificates minus your basis in those certificates. Your basis in certificates is the face value of the certificates you included as income, or the amount you paid for them.

If you did elect to report the loan proceeds as income, do not include the amount of the loan you repaid with the certificates on line 8c.

For more information on the tax consequences of electing to report CCC loan proceeds as income, forfeiting CCC loans, and repaying CCC loans with certificates, see Pub. 225.

Line 9a through 9d

In general, you must report crop insurance proceeds in the year you receive them. However, if 1988 was the year of damage, you may elect to include these proceeds (and certain disaster payments) in income next year. To make this election, check the box on line 9c and attach a statement to your return. See Pub. 225 for what you must include in your statement.

Enter on line 9a the TOTAL crop insurance proceeds you received in 1988, even if you elect to include them in income next year.

Enter on line 9b the taxable amount of the proceeds you received in 1988. Do not include proceeds you elect to include in income next year.

Enter on line 9d the amount, if any, of crop insurance proceeds you received in 1987 and elected to include in income in 1988.

Line 10

Enter on this line the income you received for custom hire (machine work).

Line 11

Use this line to report income not shown on lines 1 through 10. For example, include the following income items on line 11.

- Illegal Federal irrigation subsidies, see Pub. 225.
- Barter income.
- Income from discharge of indebtedness. Generally, if a debt is canceled or forgiven, you must include the canceled amount in income. However, certain solvent farmers may exclude from income discharged qualified farm indebtedness. For information on whether you must include in income any discharge of indebtedness, see Pub. 225.
- State gasoline or fuel tax refund you got in 1988.
- The amount of credit for Federal tax on gasoline or other fuel claimed on your 1987 Form 1040.
- The amount of credit for alcohol used as a fuel that was entered on **Form 6478**.

Report the sale of commodity futures contracts on this line if they were made to protect you from price changes. These are a form of business insurance and are considered hedges. Enter any profit on line 11. If you had a loss in a closed futures contract, show it as a minus amount.

Caution: *For property acquired and hedging positions established, you must clearly identify on your books and records that the transaction was a hedging transaction.*

Purchase or sales contracts are not true hedges if they offset losses that already occurred. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line. Report it on **Form 6781**.

Part II

Farm Deductions

Note: *Certain costs must be capitalized if you produced real or tangible personal property, or acquired property held for resale. Special rules apply to the capitalization of interest and certain farm costs. See the instructions for line G for more details.*

Do not reduce your deductions on lines 13—35e by the preproductive period expenses you are required to capitalize. Instead, enter the total amount capitalized on line 37.

Do not deduct:

- Personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income.
- Expenses of raising anything you or your family used.
- The value of animals you raised that died.
- Loss of inventory.
- Personal losses.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

Prepaid Farming Expenses. Generally, if you use the cash method of accounting, and your prepaid expenses are more than 50% of your other deductible farming expenses, your expenses for feed, seed, fertilizer, and other farm supplies, are deductible only in the year in which you actually use them. The cost of poultry bought for use in the business must be spread over the lesser of 12 months or the useful life of the poultry. The cost of poultry bought for resale is deductible in the year in which the poultry is sold or otherwise disposed of. For an exception to this rule and additional information on prepaid expenses, see Pub. 225.

Farming syndicates cannot use the cash method of accounting. A farming syndicate may be a partnership, any other noncorporate group, or an S corporation. **If:**

a, the interests in the business have ever been for sale in a way that would require registration with any Federal or state agency, **or**

b, more than 35% of the loss during any tax year is spread between limited partners or limited entrepreneurs. (A limited partner is one who can lose only the amount invested in the partnership; a limited entrepreneur is a person who does not take any active part in managing the business.)

Line 15

Amounts you spent to conserve soil or water, or to prevent erosion of your land can be deducted only if the expenses are consistent with a conservation plan approved by the Soil Conservation Service (SCS) of the Department of Agriculture for the area in which your land is located. If no plan exists, the expenses must be consistent with a plan of a comparable state agency. You must attach **Form 8645**, Soil and Water Conservation Plan Certification, to your return if you claim this deduction.

Do not deduct expenses you pay or incur to drain or fill wetlands or to prepare land for center pivot irrigation systems.

Do not deduct more than 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, carry the excess over to following years.

Line 16

Enter what you paid to rent machinery used on your farm.

Line 17

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not deduct depreciation on your home, furniture, or other personal items, land, livestock you bought or raised for resale, or other property in your inventory.

You may also choose under section 179 to expense a portion of the cost of certain depreciable property you bought in 1988 for use in your business. Figure your depreciation deduction, including the section 179 expense deduction, on **Form 4562**, Depreciation and Amortization. Enter on line 17 of Schedule F the amount from Form 4562, Part I.

The depreciation deduction for cars, including any section 179 deduction, is limited. For example, if you used your car 100% for business and placed the car in service in 1988, your deduction is limited to $2,560. The allowable amounts are further limited if your business use is less than 100%. In general, for cars or other "listed property," you may not take a section 179 deduction if the property is used 50% or less in your trade or business. If you claim depreciation for any listed property, you must complete Part III of Form 4562. See the instructions for Form 4562 and **Pub. 534**, Depreciation, for details.

If you have listed property (such as a car or light truck) that you placed in service after June 18, 1984, for which you claimed a depreciation deduction, and the business use percentage of the property decreased to 50% or less during 1988, you may have to recapture excess depreciation, including any section 179 expense deduction. Get **Form 4797** and its instructions for details.

If you took an investment credit on property that you dispose of before the end of its class life or life years, or the business use percentage decreases, or the use of the property otherwise changes so that it no longer qualifies, you may have to refigure the credit. Get **Form 4255**, Recapture of Investment Credit, for details.

Line 18

Enter any amounts you paid to programs for your employees that are not a part of the plans on line 26. Examples are insurance, health, and welfare programs. Do not include here amounts paid for yourself or your family.

Line 19

Generally, you cannot currently deduct expenses for feed to be consumed by your livestock in a later tax year. See **Prepaid Farming Expenses**, earlier.

Line 21

Do not include as freight paid the cost of transportation incurred in purchasing livestock held for resale. Instead, add these costs to the cost of the livestock, and deduct them when the livestock are sold.

Line 23

Enter only the amount of premiums for fire, storm, crop, and theft insurance for this year for your farm business assets. Do not include insurance on personal assets, or medical, health, or disability insurance on yourself or your family.

Note: *You may be able to deduct part of the amount paid for health insurance for you and your family even if you don't itemize your deductions. See the instructions for Form 1040, line 26.*

Lines 24a and 24b

Interest Allocation Rules. The tax treatment of interest expense differs depending on its type. For example, personal interest, home mortgage interest, and investment interest are all treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted on the right place of your return and gets the right tax treatment. These rules could affect how much interest you deduct on Schedule F.

Generally, you allocate interest expense by tracing how the proceeds of the loan are used. See **Pub. 535** and **Pub. 545** for details.

If you paid interest on a debt secured by your main home, and any of the proceeds from that debt were used in your farming business, see Pub. 545 to figure the amount that is deductible on Schedule F.

If you have a mortgage on your real property used in your farming business (other than your main home), enter on line 24a the interest you paid for 1988 to banks or other financial institutions. If you paid $600 or more of interest on this mortgage, you should receive **Form 1098**, Mortgage Interest Statement, or similar statement. It shows the total interest received from you during 1988. You should receive this statement by January 31, 1989. If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin, next to line 24a, write "see attached."

If you paid more mortgage interest to financial institutions than is shown on Form 1098, or similar statement, see Pub. 545 to see if you can deduct the additional interest. If you can, attach a statement to your return explaining the difference and write "see attached" in the left margin next to line 24a.

On line 24b, enter the interest on other loans related to this farm. Do not deduct interest you prepaid in 1988 for years after 1988. Include only the part that applies to 1988.

Lines 25a and 25b

Enter amounts you paid for farm labor. Count the cost of boarding farm labor but not the value of any products they used from the farm. Count only what you paid household help to care for farm laborers. Do not count the value of your own or your family's labor.

Caution: *If you provided taxable fringe benefits to your employees, such as personal use of a car, do not include in farm labor the amounts you depreciated or deducted elsewhere.*

Enter on line 25b the jobs credit from **Form 5884**. Get **Pub. 572**, General Business Credit, for information on the jobs credit.

Line 26

Enter what you paid to pension, profit sharing, or annuity plans for your employees. If the plan included you as an owner-employee, see the instructions for Schedule C, line 21. Enter the amount you paid for yourself on Form 1040, line 27.

Line 27

Enter what you paid to rent pasture or farm land.

Line 28

Enter what you paid for repairs and upkeep of farm buildings, machinery, and equipment. You can also include what you paid for tools of short life or small cost, such as shovels and rakes.

Do **not** deduct repairs or upkeep on your home.

Line 32

You may deduct the following taxes:

- Real estate and personal property taxes on farm business assets.
- Social security taxes you paid to match what you are required to withhold from farm employees' wages and any Federal unemployment tax paid.
- Federal highway use tax.

Do not deduct:

- Federal income taxes.
- Estate and gift taxes.
- Taxes assessed for improvements, such as paving and sewers.
- Taxes on your home or personal property.
- State and local sales taxes (treat them as part of the cost of the property).
- Other taxes not related to the farm business.

Line 33

Enter what you paid for gas, electricity, water, etc., for business use on the farm. Do not include personal utilities.

Lines 35a through 35e

Enter expenses not listed on another line such as

- Office supplies
- Advertising
- Any loss from this activity that was not allowed as a deduction last year because of the at risk provisions. This is treated as a deduction allocable to this activity in 1988
- Amortization of qualifying forestation and reforestation costs over an 84 month period
- Amortization of certain business startup costs over a period of at least 60 months

Use **Form 4562** to figure your amortization deduction. Include on line 35 of Schedule F the amount of the deduction from Form 4562 Part III. For more information on amortization, get **Pub. 53S**

- Bad Debts. Include debts and partial debts arising from sales that were included in income and are definitely known to be worthless. ***Caution:*** *Cash method taxpayers cannot take a bad debt deduction unless the amount was previously included in income*

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it

Note: *If you used the reserve method prior to 1987 to figure your bad debts, any balance you had in the reserve account at the end of 1986 must be included in your income ratably over a 4 year period*

For more details, get **Pub. 548**, Deduction for Bad Debts

- Car and truck expenses. You can deduct the actual cost of running your car or truck or take the standard mileage rate

Note: *If you claim any car or truck expenses (actual costs or the standard mileage rate), you must complete Part III of Form 4562*

The standard rate is 24 cents a mile up to 15,000 miles for 1988 and 11 cents a mile for each mile after that. If you use more than one vehicle for business, you must use the actual cost. If you use the vehicle for both personal and farm purposes, show only the miles (or costs) which apply to farming

For vehicles that have been fully depreciated, the rate is 11 cents a mile

If you use the standard rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum standard mileage rate

For details, get **Pub. 917**, Business Use of a Car

Note: *If you use certain highway trucks, truck trailers, tractor trailers, or buses in your trade or business, you may have to pay a Federal highway use tax. Get* ***Form 2290,*** *Heavy Vehicle Use Tax Return, to see if you owe this tax*

Line 37

Enter on line 37 preproductive period expenses that are capitalized. If you had preproductive period expenses in 1988 and you checked the "No" box on line G of Schedule F because you decided to capitalize these expenses, there MUST be an entry on this line. If you checked the "No" box but you did not have any preproductive period expenses in 1988, do not enter an amount on line 37

Do not enter an amount on line 37 if either of the following applies

- You made the election on line G to currently deduct your preproductive period expenses (you checked the "Yes" box), or
- You checked the "Does Not Apply" box on line G

For more information, see the instructions for line G and Pub. 225

Line 39

If you have a loss, the amount of loss you can deduct this year may be limited. Go on to lines 40a and 40b before entering your loss on line 39. If you answered "No" to Question F on Schedule F, also see **Form 8582**. Enter the net profit or **deductible** loss here and on Form 1040, line 19, and Schedule SE, line 1 (or Form 1041, line 5 or Form 1041S, line 5). Partnerships should stop here and enter the profit or loss on this line and on Form 106S, line 5

Lines 40a and 40b

At-Risk Rules

Deductions for losses by persons who are engaged in a trade or business or an activity for the production of income, including the holding of real property (other than mineral property), are limited to the amount they have at risk in the business

If (1) you have a loss from any farming activity that you engaged in as a trade or business or for the production of income, including the holding of real property (other than mineral property) placed in service after December 31, 1986, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss

Check **box 40b** if you have amounts for which you are not at risk for this farm, such as the following

1. nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire your interest in the activity, unless they are secured by property not used in the activity or by certain real property

2. amounts protected against loss by a guarantee, stop loss agreement, or similar arrangement, or

3. loans from someone who has an interest in the activity, other than as a creditor, or who is related, under section 465(b)(3)(C), to a person (other than yourself) having such an interest, or

4. amounts contributed to the activity, or to your interest in the activity that is covered by

- nonrecourse loans or protected against loss by a guarantee, stop loss agreement, or similar arrangement, or
- loans from a person described in 3 above

If you do not have any of these kinds of amounts for which you are not at risk in this business, check **box 40a** and enter your loss on line 39 unless you answered "No" to Question F. In this case, you must complete **Form 8582** to figure your allowable loss to enter on line 39

If you checked **box 40b**, get Form 6198 to determine the amount of your deductible loss and enter that amount on line 39. But if you answered "No" to Question F, your loss may be further limited. See Form 8582. If your at risk amount is zero or less, enter zero on line 39. Be sure to attach Form 6198 to your return. If you checked box 40b and you fail to attach Form 6198, processing of your tax return may be delayed

If, in addition to the amount that you report on Schedule F, you sell or otherwise dispose of an asset used in an activity to which the at risk rules apply and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198

Any loss from this activity not allowed for 1988 because of the at risk rules is treated as a deduction allocable to the activity in 1989

For more details, get **Pub. 92S**, Passive Activity and At Risk Rules. Also see the instructions for Form 6198

Part III

Farm Income—Accrual Method

If you use the accrual method, report farm income when you earn it, not when you receive it. Generally, you must inventory your animals and crops if you use this method. Get **Pub. 538**, Accounting Periods and Methods, for exceptions, inventory methods, how to change methods of accounting, and for rules that require certain costs to be capitalized or included in inventory

Line 41

Enter the amount you got from the sales of livestock, produce, grains, and other products you raised

Lines 42a through 48

See instructions for Part I, lines 5a and 5b, 7a–8c, 10, and 11

Notes

1988 Tax Table

Use if your taxable income is less than $50,000. If $50,000 or more, use the Tax Rate Schedules.

Example: Mr and Mrs Brown are filing a joint return Their taxable income on line 37 of Form 1040 is $25,300. First, they find the $25,300–25,350 income line Next, they find the column for married filing jointly and read down the column The amount shown where the income line and filing status column meet is $3,799 This is the tax amount they must write on line 38 of their return

At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
25,200	25,250	4,743	3,784	5,129	3,956
25,250	25,300	4,757	3,791	5,143	3,970
25,300	25,350	4,771	(3,799)	5,157	3,984
25,350	25,400	4,785	3,806	5,171	3,998

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
$0	$5	$0	$0	$0	$0
5	15	2	2	2	2
15	25	3	3	3	3
25	50	6	6	6	6
50	75	9	9	9	9
75	100	13	13	13	13
100	125	17	17	17	17
125	150	21	21	21	21
150	175	24	24	24	24
175	200	28	28	28	28
200	225	32	32	32	32
225	250	36	36	36	36
250	275	39	39	39	39
275	300	43	43	43	43
300	325	47	47	47	47
325	350	51	51	51	51
350	375	54	54	54	54
375	400	58	58	58	58
400	425	62	62	62	62
425	450	66	66	66	66
450	475	69	69	69	69
475	500	73	73	73	73
500	525	77	77	77	77
525	550	81	81	81	81
550	575	84	84	84	84
575	600	88	88	88	88
600	625	92	92	92	92
625	650	96	96	96	96
650	675	99	99	99	99
675	700	103	103	103	103
700	725	107	107	107	107
725	750	111	111	111	111
750	775	114	114	114	114
775	800	118	118	118	118
800	825	122	122	122	122
825	850	126	126	126	126
850	875	129	129	129	129
875	900	133	133	133	133
900	925	137	137	137	137
925	950	141	141	141	141
950	975	144	144	144	144
975	1,000	148	148	148	148
1,000					
1,000	1,025	152	152	152	152
1,025	1,050	156	156	156	156
1,050	1,075	159	159	159	159
1,075	1,100	163	163	163	163
1,100	1,125	167	167	167	167
1,125	1,150	171	171	171	171
1,150	1,175	174	174	174	174
1,175	1,200	178	178	178	178
1,200	1,225	182	182	182	182
1,225	1,250	186	186	186	186
1,250	1,275	189	189	189	189
1,275	1,300	193	193	193	193
1,300	1,325	197	197	197	197
1,325	1,350	201	201	201	201
1,350	1,375	204	204	204	204
1,375	1,400	208	208	208	208

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
1,400	1,425	212	212	212	212
1,425	1,450	216	216	216	216
1,450	1,475	219	219	219	219
1,475	1,500	223	223	223	223
1,500	1,525	227	227	227	227
1,525	1,550	231	231	231	231
1,550	1,575	234	234	234	234
1,575	1,600	238	238	238	238
1,600	1,625	242	242	242	242
1,625	1,650	246	246	246	246
1,650	1,675	249	249	249	249
1,675	1,700	253	253	253	253
1,700	1,725	257	257	257	257
1,725	1,750	261	261	261	261
1,750	1,775	264	264	264	264
1,775	1,800	268	268	268	268
1,800	1,825	272	272	272	272
1,825	1,850	276	276	276	276
1,850	1,875	279	279	279	279
1,875	1,900	283	283	283	283
1,900	1,925	287	287	287	287
1,925	1,950	291	291	291	291
1,950	1,975	294	294	294	294
1,975	2,000	298	298	298	298
2,000					
2,000	2,025	302	302	302	302
2,025	2,050	306	306	306	306
2,050	2,075	309	309	309	309
2,075	2,100	313	313	313	313
2,100	2,125	317	317	317	317
2,125	2,150	321	321	321	321
2,150	2,175	324	324	324	324
2,175	2,200	328	328	328	328
2,200	2,225	332	332	332	332
2,225	2,250	336	336	336	336
2,250	2,275	339	339	339	339
2,275	2,300	343	343	343	343
2,300	2,325	347	347	347	347
2,325	2,350	351	351	351	351
2,350	2,375	354	354	354	354
2,375	2,400	358	358	358	358
2,400	2,425	362	362	362	362
2,425	2,450	366	366	366	366
2,450	2,475	369	369	369	369
2,475	2,500	373	373	373	373
2,500	2,525	377	377	377	377
2,525	2,550	381	381	381	381
2,550	2,575	384	384	384	384
2,575	2,600	388	388	388	388
2,600	2,625	392	392	392	392
2,625	2,650	396	396	396	396
2,650	2,675	399	399	399	399
2,675	2,700	403	403	403	403

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
2,700	2,725	407	407	407	407
2,725	2,750	411	411	411	411
2,750	2,775	414	414	414	414
2,775	2,800	418	418	418	418
2,800	2,825	422	422	422	422
2,825	2,850	426	426	426	426
2,850	2,875	429	429	429	429
2,875	2,900	433	433	433	433
2,900	2,925	437	437	437	437
2,925	2,950	441	441	441	441
2,950	2,975	444	444	444	444
2,975	3,000	448	448	448	448
3,000					
3,000	3,050	454	454	454	454
3,050	3,100	461	461	461	461
3,100	3,150	469	469	469	469
3,150	3,200	476	476	476	476
3,200	3,250	484	484	484	484
3,250	3,300	491	491	491	491
3,300	3,350	499	499	499	499
3,350	3,400	506	506	506	506
3,400	3,450	514	514	514	514
3,450	3,500	521	521	521	521
3,500	3,550	529	529	529	529
3,550	3,600	536	536	536	536
3,600	3,650	544	544	544	544
3,650	3,700	551	551	551	551
3,700	3,750	559	559	559	559
3,750	3,800	566	566	566	566
3,800	3,850	574	574	574	574
3,850	3,900	581	581	581	581
3,900	3,950	589	589	589	589
3,950	4,000	596	596	596	596
4,000					
4,000	4,050	604	604	604	604
4,050	4,100	611	611	611	611
4,100	4,150	619	619	619	619
4,150	4,200	626	626	626	626
4,200	4,250	634	634	634	634
4,250	4,300	641	641	641	641
4,300	4,350	649	649	649	649
4,350	4,400	656	656	656	656
4,400	4,450	664	664	664	664
4,450	4,500	671	671	671	671
4,500	4,550	679	679	679	679
4,550	4,600	686	686	686	686
4,600	4,650	694	694	694	694
4,650	4,700	701	701	701	701
4,700	4,750	709	709	709	709
4,750	4,600	716	716	716	716
4,800	4,850	724	724	724	724
4,850	4,900	731	731	731	731
4,900	4,950	739	739	739	739
4,950	5,000	746	746	746	746

* This column must also be used by a qualifying widow(er)

Continued on next page

1988 Tax Table—*Continued*

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
5,000					
5,000	5,050	754	754	754	754
5,050	5,100	761	761	761	761
5,100	5,150	769	769	769	769
5,150	5,200	776	776	776	776
5,200	5,250	784	784	784	784
5,250	5,300	791	791	791	791
5,300	5,350	799	799	799	799
5,350	5,400	806	806	806	806
5,400	5,450	814	814	814	814
5,450	5,500	821	821	821	821
5,500	5,550	829	829	829	829
5,550	5,600	836	836	836	836
5,600	5,650	844	844	844	844
5,650	5,700	851	851	851	851
5,700	5,750	859	859	859	859
5,750	5,800	866	866	866	866
5,800	5,850	874	874	874	874
5,850	5,900	881	881	881	881
5,900	5,950	889	889	889	889
5,950	6,000	896	896	896	896
6,000					
6,000	6,050	904	904	904	904
6,050	6,100	911	911	911	911
6,100	6,150	919	919	919	919
6,150	6,200	926	926	926	926
6,200	6,250	934	934	934	934
6,250	6,300	941	941	941	941
6,300	6,350	949	949	949	949
6,350	6,400	956	956	956	956
6,400	6,450	964	964	964	964
6,450	6,500	971	971	971	971
6,500	6,550	979	979	979	979
6,550	6,600	986	986	986	986
6,600	6,650	994	994	994	994
6,650	6,700	1,001	1,001	1,001	1,001
6,700	6,750	1,009	1,009	1,009	1,009
6,750	6,800	1,016	1,016	1,016	1,016
6,800	6,850	1,024	1,024	1,024	1,024
6,850	6,900	1,031	1,031	1,031	1,031
6,900	6,950	1,039	1,039	1,039	1,039
6,950	7,000	1,046	1,046	1,046	1,046
7,000					
7,000	7,050	1,054	1,054	1,054	1,054
7,050	7,100	1,061	1,061	1,061	1,061
7,100	7,150	1,069	1,069	1,069	1,069
7,150	7,200	1,076	1,076	1,076	1,076
7,200	7,250	1,084	1,084	1,084	1,084
7,250	7,300	1,091	1,091	1,091	1,091
7,300	7,350	1,099	1,099	1,099	1,099
7,350	7,400	1,106	1,106	1,106	1,106
7,400	7,450	1,114	1,114	1,114	1,114
7,450	7,500	1,121	1,121	1,121	1,121
7,500	7,550	1,129	1,129	1,129	1,129
7,550	7,600	1,136	1,136	1,136	1,136
7,600	7,650	1,144	1,144	1,144	1,144
7,650	7,700	1,151	1,151	1,151	1,151
7,700	7,750	1,159	1,159	1,159	1,159
7,750	7,800	1,166	1,166	1,166	1,166
7,800	7,850	1,174	1,174	1,174	1,174
7,850	7,900	1,181	1,181	1,181	1,181
7,900	7,950	1,189	1,189	1,189	1,189
7,950	8,000	1,196	1,196	1,196	1,196

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
8,000					
8,000	8,050	1,204	1,204	1,204	1,204
8,050	8,100	1,211	1,211	1,211	1,211
8,100	8,150	1,219	1,219	1,219	1,219
8,150	8,200	1,226	1,226	1,226	1,226
8,200	8,250	1,234	1,234	1,234	1,234
8,250	8,300	1,241	1,241	1,241	1,241
8,300	8,350	1,249	1,249	1,249	1,249
8,350	8,400	1,256	1,256	1,256	1,256
8,400	8,450	1,264	1,264	1,264	1,264
8,450	8,500	1,271	1,271	1,271	1,271
8,500	8,550	1,279	1,279	1,279	1,279
8,550	8,600	1,286	1,286	1,286	1,286
8,600	8,650	1,294	1,294	1,294	1,294
8,650	8,700	1,301	1,301	1,301	1,301
8,700	8,750	1,309	1,309	1,309	1,309
8,750	8,800	1,316	1,316	1,316	1,316
8,800	8,850	1,324	1,324	1,324	1,324
8,850	8,900	1,331	1,331	1,331	1,331
8,900	8,950	1,339	1,339	1,339	1,339
8,950	9,000	1,346	1,346	1,346	1,346
9,000					
9,000	9,050	1,354	1,354	1,354	1,354
9,050	9,100	1,361	1,361	1,361	1,361
9,100	9,150	1,369	1,369	1,369	1,369
9,150	9,200	1,376	1,376	1,376	1,376
9,200	9,250	1,384	1,384	1,384	1,384
9,250	9,300	1,391	1,391	1,391	1,391
9,300	9,350	1,399	1,399	1,399	1,399
9,350	9,400	1,406	1,406	1,406	1,406
9,400	9,450	1,414	1,414	1,414	1,414
9,450	9,500	1,421	1,421	1,421	1,421
9,500	9,550	1,429	1,429	1,429	1,429
9,550	9,600	1,436	1,436	1,436	1,436
9,600	9,650	1,444	1,444	1,444	1,444
9,650	9,700	1,451	1,451	1,451	1,451
9,700	9,750	1,459	1,459	1,459	1,459
9,750	9,800	1,466	1,466	1,466	1,466
9,800	9,850	1,474	1,474	1,474	1,474
9,850	9,900	1,481	1,481	1,481	1,481
9,900	9,950	1,489	1,489	1,489	1,489
9,950	10,000	1,496	1,496	1,496	1,496
10,000					
10,000	10,050	1,504	1,504	1,504	1,504
10,050	10,100	1,511	1,511	1,511	1,511
10,100	10,150	1,519	1,519	1,519	1,519
10,150	10,200	1,526	1,526	1,526	1,526
10,200	10,250	1,534	1,534	1,534	1,534
10,250	10,300	1,541	1,541	1,541	1,541
10,300	10,350	1,549	1,549	1,549	1,549
10,350	10,400	1,556	1,556	1,556	1,556
10,400	10,450	1,564	1,564	1,564	1,564
10,450	10,500	1,571	1,571	1,571	1,571
10,500	10,550	1,579	1,579	1,579	1,579
10,550	10,600	1,586	1,586	1,586	1,586
10,600	10,650	1,594	1,594	1,594	1,594
10,650	10,700	1,601	1,601	1,601	1,601
10,700	10,750	1,609	1,609	1,609	1,609
10,750	10,800	1,616	1,616	1,616	1,616
10,800	10,850	1,624	1,624	1,624	1,624
10,850	10,900	1,631	1,631	1,631	1,631
10,900	10,950	1,639	1,639	1,639	1,639
10,950	11,000	1,646	1,646	1,646	1,646

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
11,000					
11,000	11,050	1,654	1,654	1,654	1,654
11,050	11,100	1,661	1,661	1,661	1,661
11,100	11,150	1,669	1,669	1,669	1,669
11,150	11,200	1,676	1,676	1,676	1,676
11,200	11,250	1,684	1,684	1,684	1,684
11,250	11,300	1,691	1,691	1,691	1,691
11,300	11,350	1,699	1,699	1,699	1,699
11,350	11,400	1,706	1,706	1,706	1,706
11,400	11,450	1,714	1,714	1,714	1,714
11,450	11,500	1,721	1,721	1,721	1,721
11,500	11,550	1,729	1,729	1,729	1,729
11,550	11,600	1,736	1,736	1,736	1,736
11,600	11,650	1,744	1,744	1,744	1,744
11,650	11,700	1,751	1,751	1,751	1,751
11,700	11,750	1,759	1,759	1,759	1,759
11,750	11,800	1,766	1,766	1,766	1,766
11,800	11,850	1,774	1,774	1,774	1,774
11,850	11,900	1,781	1,781	1,781	1,781
11,900	11,950	1,789	1,789	1,789	1,789
11,950	12,000	1,796	1,796	1,796	1,796
12,000					
12,000	12,050	1,804	1,804	1,804	1,804
12,050	12,100	1,811	1,811	1,811	1,811
12,100	12,150	1,819	1,819	1,819	1,819
12,150	12,200	1,826	1,826	1,826	1,826
12,200	12,250	1,834	1,834	1,834	1,834
12,250	12,300	1,841	1,841	1,841	1,841
12,300	12,350	1,849	1,849	1,849	1,849
12,350	12,400	1,856	1,856	1,856	1,856
12,400	12,450	1,864	1,864	1,864	1,864
12,450	12,500	1,871	1,871	1,871	1,871
12,500	12,550	1,879	1,879	1,879	1,879
12,550	12,600	1,886	1,886	1,886	1,886
12,600	12,650	1,894	1,894	1,894	1,894
12,650	12,700	1,901	1,901	1,901	1,901
12,700	12,750	1,909	1,909	1,909	1,909
12,750	12,800	1,916	1,916	1,916	1,916
12,800	12,850	1,924	1,924	1,924	1,924
12,850	12,900	1,931	1,931	1,931	1,931
12,900	12,950	1,939	1,939	1,939	1,939
12,950	13,000	1,946	1,946	1,946	1,946
13,000					
13,000	13,050	1,954	1,954	1,954	1,954
13,050	13,100	1,961	1,961	1,961	1,961
13,100	13,150	1,969	1,969	1,969	1,969
13,150	13,200	1,976	1,976	1,976	1,976
13,200	13,250	1,984	1,984	1,984	1,984
13,250	13,300	1,991	1,991	1,991	1,991
13,300	13,350	1,999	1,999	1,999	1,999
13,350	13,400	2,006	2,006	2,006	2,006
13,400	13,450	2,014	2,014	2,014	2,014
13,450	13,500	2,021	2,021	2,021	2,021
13,500	13,550	2,029	2,029	2,029	2,029
13,550	13,600	2,036	2,036	2,036	2,036
13,600	13,650	2,044	2,044	2,044	2,044
13,650	13,700	2,051	2,051	2,051	2,051
13,700	13,750	2,059	2,059	2,059	2,059
13,750	13,800	2,066	2,066	2,066	2,066
13,800	13,850	2,074	2,074	2,074	2,074
13,850	13,900	2,081	2,081	2,081	2,081
13,900	13,950	2,089	2,089	2,089	2,089
13,950	14,000	2,096	2,096	2,096	2,096

* This column must also be used by a qualifying widow(er)

Continued on next page

1988 Tax Table—*Continued*

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
14,000					
14,000	14,050	2 104	2,104	2 104	2 104
14,050	14,100	2 111	2 111	2 111	2 111
14,100	14,150	2 119	2,119	2 119	2 119
14,150	14,200	2 126	2,126	2 126	2 126
14,200	14,250	2 134	2,134	2 134	2 134
14,250	14,300	2 141	2 141	2 141	2,141
14,300	14,350	2 149	2 149	2 149	2,149
14,350	14,400	2,156	2 156	2,156	2,156
14,400	14,450	2 164	2 164	2 164	2 164
14,450	14,500	2,171	2 171	2 171	2 171
14,500	14,550	2,179	2 179	2 179	2 179
14,550	14,600	2,186	2 186	2,186	2,186
14,600	14,650	2,194	2,194	2 194	2,194
14,650	14,700	2 201	2 201	2 201	2 201
14,700	14,750	2 209	2 209	2 209	2 209
14,750	14,800	2 216	2 216	2 216	2,216
14,800	14,850	2 224	2 224	2 224	2 224
14,850	14,900	2,231	2 231	2 231	2 231
14,900	14,950	2 239	2 239	2,245	2,239
14,950	15,000	2 246	2 246	2 259	2 246
15,000					
15,000	15,050	2,254	2,254	2 273	2,254
15,050	15,100	2,261	2,261	2 287	2,261
15,100	15,150	2,269	2,269	2 301	2 269
15,150	15,200	2,276	2,276	2 315	2 276
15,200	15,250	2 284	2,284	2 329	2,284
15,250	15,300	2,291	2 291	2 343	2,291
15,300	15,350	2,299	2 299	2 357	2 299
15,350	15,400	2,306	2 306	2 371	2 306
15,400	15,450	2,314	2,314	2,385	2 314
15,450	15,500	2,321	2,321	2 399	2 321
15,500	15,550	2,329	2 329	2 413	2 329
15,550	15,600	2 336	2,336	2 427	2,336
15,600	15,650	2,344	2,344	2 441	2 344
15,650	15,700	2 351	2 351	2 455	2 351
15,700	15,750	2,359	2 359	2 469	2,359
15,750	15,800	2 366	2,366	2 483	2 366
15,800	15,850	2,374	2 374	2 497	2 374
15,850	15,900	2 381	2 381	2 511	2 381
15,900	15,950	2 389	2,389	2 525	2,389
15,950	16,000	2 396	2,396	2 539	2 396
16,000					
16,000	16,050	2 404	2 404	2 553	2 404
16,050	16,100	2 411	2 411	2 567	2 411
16,100	16,150	2 419	2 419	2 581	2 419
16,150	16,200	2 426	2,426	2,595	2,426
16,200	16,250	2 434	2 434	2 609	2 434
16,250	16,300	2 441	2,441	2,623	2,441
16,300	16,350	2 449	2,449	2,637	2,449
16,350	16,400	2,456	2,456	2,651	2,456
16,400	16,450	2 464	2,464	2,665	2 464
16,450	16,500	2 471	2,471	2,679	2,471
16,500	16,550	2 479	2 479	2,693	2,479
16,550	16,600	2,486	2,486	2,707	2,486
16,600	16,650	2 494	2,494	2,721	2,494
16,650	16,700	2 501	2,501	2 735	2,501
16,700	16,750	2 509	2,509	2,749	2,509
16,750	16,800	2,516	2,516	2,763	2,516
16,800	16,850	2,524	2,524	2,777	2,524
16,850	16,900	2,531	2,531	2,791	2,531
16,900	16,950	2,539	2,539	2,805	2,539
16,950	17,000	2,546	2,546	2,819	2,546

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
17,000					
17,000	17,050	2,554	2 554	2,833	2 554
17,050	17,100	2,561	2 561	2,847	2 561
17,100	17,150	2,569	2 569	2 861	2 569
17,150	17,200	2,576	2 576	2 875	2 576
17,200	17,250	2,584	2,584	2,889	2,584
17,250	17,300	2,591	2,591	2 903	2,591
17,300	17,350	2,599	2 599	2 917	2 599
17,350	17,400	2,606	2 606	2 931	2,606
17,400	17,450	2,614	2,614	2 945	2,614
17,450	17,500	2 621	2,621	2 959	2,621
17,500	17,550	2 629	2 629	2 973	2,629
17,550	17,600	2,636	2,636	2,987	2,636
17,600	17,650	2,644	2,644	3,001	2,644
17,650	17,700	2,651	2,651	3,015	2,651
17,700	17,750	2,659	2,659	3,029	2,659
17,750	17,800	2,666	2,666	3 043	2,666
17,800	17,850	2,674	2,674	3 057	2,674
17,850	17,900	2,685	2,681	3,071	2,681
17,900	17,950	2,699	2,689	3,085	2,689
17,950	18,000	2,713	2,696	3,099	2,696
18,000					
18,000	18,050	2,727	2,704	3,113	2,704
18,050	18,100	2,741	2,711	3 127	2,711
18,100	18,150	2,755	2,719	3 141	2,719
18,150	18,200	2,769	2,726	3,155	2,726
18,200	18,250	2,783	2,734	3 169	2,734
18,250	18,300	2,797	2,741	3,183	2,741
18,300	18,350	2,811	2,749	3,197	2,749
18,350	18,400	2,825	2,756	3,211	2,756
18,400	18,450	2,839	2,764	3,225	2,764
18,450	18,500	2,853	2,771	3,239	2,771
18,500	18,550	2,867	2,779	3,253	2,779
18,550	18,600	2,881	2,786	3,267	2,786
18,600	18,650	2,895	2,794	3,281	2,794
18,650	18,700	2,909	2,801	3,295	2,801
18,700	18,750	2,923	2,809	3,309	2,809
18,750	18,800	2,937	2,816	3,323	2,816
18,800	18,850	2,951	2,824	3,337	2,824
18,850	18,900	2,965	2,831	3,351	2,831
18,900	18,950	2,979	2,839	3,365	2,839
18,950	19,000	2,993	2,846	3,379	2,846
19,000					
19,000	19,050	3,007	2,854	3,393	2,854
19,050	19,100	3,021	2,861	3 407	2,861
19,100	19,150	3,035	2,869	3 421	2,869
19,150	19,200	3,049	2,876	3,435	2,876
19,200	19,250	3,063	2,884	3,449	2,884
19,250	19,300	3,077	2,891	3,463	2,891
19,300	19,350	3,091	2,899	3,477	2,899
19,350	19,400	3,105	2,906	3,491	2,906
19,400	19,450	3,119	2,914	3,505	2,914
19,450	19,500	3,133	2,921	3,519	2,921
19,500	19,550	3,147	2,929	3,533	2,929
19,550	19,600	3,161	2,936	3,547	2,936
19,600	19,650	3,175	2,944	3,561	2,944
19,650	19,700	3,189	2,951	3,575	2,951
19,700	19,750	3,203	2,959	3,589	2,959
19,750	19,800	3,217	2,966	3,603	2,966
19,800	19,850	3,231	2,974	3,617	2,974
19,850	19,900	3,245	2,981	3,631	2,981
19,900	19,950	3,259	2,989	3,645	2,989
19,950	20,000	3,273	2,996	3,659	2,996

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
20,000					
20,000	20,050	3,287	3 004	3,673	3 004
20,050	20,100	3 301	3 011	3 687	3 011
20,100	20,150	3,315	3,019	3 701	3 019
20,150	20,200	3 329	3,026	3 715	3 026
20,200	20,250	3,343	3,034	3 729	3,034
20,250	20,300	3 357	3,041	3 743	3 041
20,300	20,350	3,371	3 049	3 757	3,049
20,350	20,400	3,385	3 056	3 771	3 056
20,400	20,450	3,399	3 064	3 785	3 064
20,450	20,500	3 413	3 071	3 799	3 071
20,500	20,550	3,427	3,079	3 813	3 079
20,550	20,600	3 441	3 086	3 827	3 086
20,600	20,650	3 455	3,094	3 841	3 094
20,650	20,700	3 469	3 101	3 855	3 101
20,700	20,750	3 483	3 109	3 869	3 109
20,750	20,800	3 497	3 116	3 883	3 116
20,800	20,850	3 511	3 124	3,897	3 124
20,850	20,900	3,525	3 131	3,911	3 131
20,900	20,950	3 539	3 139	3,925	3 139
20,950	21,000	3 553	3 146	3 939	3,146
21,000					
21,000	21,050	3,567	3,154	3 953	3 154
21,050	21,100	3,581	3,161	3,967	3,161
21,100	21,150	3 595	3 169	3 981	3,169
21,150	21,200	3 609	3 176	3,995	3 176
21,200	21,250	3 623	3 184	4.009	3 184
21,250	21,300	3,637	3,191	4 023	3 191
21,300	21,350	3,651	3 199	4 037	3 199
21,350	21,400	3,665	3,206	4 051	3 206
21,400	21,450	3 679	3,214	4 065	3 214
21,450	21,500	3 693	3,221	4 079	3 221
21,500	21,550	3,707	3 229	4 093	3,229
21,550	21,600	3,721	3 236	4 107	3 236
21,600	21,650	3,735	3,244	4 121	3 244
21,650	21,700	3,749	3 251	4 135	3 251
21,700	21,750	3,763	3,259	4 149	3 259
21,750	21,800	3 777	3 266	4 163	3 266
21,800	21,850	3 791	3,274	4 177	3 274
21,850	21,900	3 805	3,281	4 191	3 281
21,900	21,950	3 819	3 289	4 205	3 289
21,950	22,000	3,833	3,296	4 219	3 296
22,000					
22,000	22,050	3 847	3 304	4 233	3 304
22,050	22,100	3 861	3,311	4 247	3 311
22,100	22,150	3 875	3 319	4 261	3 319
22,150	22,200	3,889	3 326	4 275	3 326
22,200	22,250	3,903	3 334	4 289	3 334
22,250	22,300	3 917	3 341	4 303	3 341
22,300	22,350	3 931	3,349	4 317	3 349
22,350	22,400	3 945	3,356	4,331	3,356
22,400	22,450	3,959	3,364	4,345	3,364
22,450	22,500	3,973	3,371	4,359	3,371
22,500	22,550	3,987	3,379	4 373	3,379
22,550	22,600	4,001	3,386	4,387	3,386
22,600	22,650	4,015	3,394	4,401	3,394
22,650	22,700	4,029	3,401	4,415	3,401
22,700	22,750	4,043	3,409	4,429	3,409
22,750	22,800	4,057	3,416	4 443	3,416
22,800	22,850	4,071	3,424	4,457	3 424
22,850	22,900	4,085	3,431	4 471	3,431
22,900	22,950	4,099	3,439	4 485	3,439
22,950	23,000	4,113	3,446	4,499	3,446

Continued on next page

* This column must also be used by a qualifying widow(er)

1988 Tax Table—*Continued*

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
23,000					
23,000	23,050	4 127	3 454	4 513	3 454
23,050	23,100	4 141	3 461	4 527	3 461
23,100	23,150	4 155	3 469	4 541	3 469
23,150	23,200	4 169	3 476	4 555	3 476
23,200	23,250	4 183	3 484	4 569	3,484
23,250	23,300	4 197	3,491	4 583	3 491
23,300	23,350	4 211	3 499	4 597	3 499
23,350	23,400	4 225	3 506	4 611	3,506
23,400	23,450	4 239	3 514	4,625	3 514
23,450	23,500	4 253	3 521	4 639	3 521
23,500	23,550	4 267	3 529	4 653	3 529
23,550	23,600	4 281	3 536	4 667	3 536
23,600	23,650	4 295	3 544	4 681	3 544
23,650	23,700	4 309	3 551	4 695	3 551
23,700	23,750	4 323	3 559	4 709	3 559
23,750	23,800	4 337	3 566	4 723	3 566
23,800	23,850	4 351	3 574	4 737	3,574
23,850	23,900	4 365	3 581	4 751	3 581
23,900	23,950	4 379	3 589	4 765	3,592
23,950	24,000	4,393	3,596	4 779	3 606
24,000					
24,000	24,050	4 407	3 604	4 793	3 620
24,050	24,100	4 421	3 611	4 807	3 634
24,100	24,150	4 435	3,619	4 821	3 648
24,150	24,200	4 449	3 626	4 835	3 662
24,200	24,250	4 463	3 634	4 849	3 676
24,250	24,300	4 477	3 641	4 863	3 690
24,300	24,350	4 491	3 649	4 877	3 704
24,350	24,400	4 505	3 656	4 891	3,718
24,400	24,450	4 519	3 664	4 905	3 732
24,450	24,500	4 533	3 671	4 919	3 746
24,500	24,550	4 547	3 679	4 933	3 760
24,550	24,600	4 561	3 686	4 947	3 774
24,600	24,650	4 575	3 694	4 961	3 788
24,650	24,700	4 589	3 701	4 975	3 802
24 700	24,750	4 603	3 709	4 989	3,816
24 750	24,800	4 617	3 716	5 003	3,830
24,800	24,850	4 631	3 724	5 017	3 844
24,850	24,900	4 645	3 731	5,031	3 858
24,900	24,950	4 659	3 739	5,045	3 872
24,950	25,000	4 673	3 746	5 059	3,886
25,000					
25,000	25,050	4 687	3 754	5 073	3 900
25,050	25,100	4 701	3,761	5 087	3 914
25,100	25,150	4 715	3 769	5 101	3 928
25,150	25,200	4 729	3 776	5,115	3 942
25,200	25,250	4 743	3 784	5,129	3,956
25,250	25,300	4 757	3 791	5 143	3,970
25,300	25,350	4 771	3 799	5,157	3 984
25,350	25,400	4 785	3 806	5,171	3,998
25,400	25,450	4 799	3 814	5,185	4,012
25,450	25,500	4 813	3 821	5 199	4,026
25,500	25,550	4 827	3 829	5,213	4,040
25,550	25,600	4 841	3 836	5,227	4,054
25 600	25,650	4 855	3 844	5,241	4 068
25,650	25,700	4 869	3,851	5,255	4 082
25,700	25,750	4 883	3 859	5,269	4 096
25,750	25,800	4 897	3,866	5 283	4,110
25,800	25,850	4,911	3,874	5,297	4 124
25,850	25,900	4 925	3,881	5,311	4,138
25,900	25,950	4 939	3,889	5,325	4 152
25,950	26,000	4 953	3 896	5,339	4 166

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
26,000					
26,000	26,050	4,967	3,904	5 353	4 180
26,050	26,100	4 981	3,911	5,367	4 194
26,100	26,150	4 995	3,919	5 381	4 208
26,150	26,200	5 009	3 926	5 395	4 222
26,200	26,250	5 023	3 934	5 409	4 236
26,250	26,300	5,037	3 941	5 423	4 250
26,300	26,350	5,051	3 949	5 437	4 264
26,350	26,400	5,065	3 956	5 451	4 278
26,400	26,450	5,079	3 964	5 465	4 292
26,450	26,500	5,093	3 971	5 479	4 306
26,500	26,550	5,107	3 979	5 493	4 320
26,550	26,600	5 121	3 986	5 507	4 334
26,600	26,650	5 135	3 994	5 521	4 348
26,650	26,700	5 149	4 001	5,535	4 362
26,700	26,750	5,163	4 009	5 549	4 376
26,750	26,800	5 177	4,016	5 563	4 390
26,800	26,850	5,191	4 024	5 577	4 404
26,850	26,900	5,205	4,031	5,591	4 418
26,900	26,950	5,219	4 039	5,605	4 432
26,950	27,000	5,233	4,046	5 619	4 446
27,000					
27,000	27,050	5,247	4,054	5 633	4 460
27,050	27,100	5,261	4 061	5 647	4 474
27,100	27,150	5 275	4 069	5 661	4 488
27,150	27,200	5,289	4,076	5 675	4 502
27,200	27,250	5,303	4 084	5 689	4 516
27,250	27,300	5,317	4,091	5 703	4 530
27,300	27,350	5,331	4 099	5 717	4 544
27,350	27,400	5,345	4 106	5 731	4 558
27,400	27,450	5 359	4 114	5 745	4 572
27,450	27,500	5,373	4,121	5 759	4 586
27,500	27,550	5,387	4 129	5 773	4 600
27,550	27,600	5,401	4 136	5 787	4 614
27,600	27,650	5 415	4 144	5 801	4 628
27,650	27,700	5 429	4 151	5,815	4 642
27,700	27,750	5 443	4 159	5,829	4 656
27,750	27,800	5 457	4 166	5,843	4 670
27,800	27,850	5 471	4 174	5,857	4 684
27,850	27,900	5 485	4 181	5 871	4 698
27,900	27,950	5 499	4 189	5,885	4 712
27,950	28,000	5 513	4,196	5 899	4 726
28,000					
28,000	28,050	5,527	4 204	5 913	4 740
28,050	28,100	5,541	4 211	5 927	4 754
28,100	28,150	5,555	4 219	5 941	4 768
28,150	28,200	5,569	4 226	5,955	4,782
28,200	28,250	5,583	4 234	5,969	4 796
28,250	28,300	5,597	4 241	5 983	4,810
28,300	28,350	5,611	4 249	5,997	4 824
28,350	28,400	5,625	4,256	6,011	4 838
28,400	28,450	5,639	4 264	6,025	4,852
28,450	28,500	5,653	4 271	6,039	4 866
28,500	28,550	5,667	4 279	6,053	4 880
28,550	28,600	5 681	4,286	6,067	4 894
28,600	28,650	5,695	4,294	6,081	4 908
28,650	28,700	5,709	4,301	6,095	4,922
28,700	28,750	5,723	4,309	6,109	4 936
28,750	28,800	5 737	4,316	6,123	4,950
28,800	28,850	5,751	4,324	6,137	4 964
28,850	28,900	5,765	4,331	6,151	4 978
28,900	28,950	5,779	4,339	6,165	4 992
28,950	29,000	5,793	4,346	6,179	5,006

If line 37 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
29,000					
29,000	29,050	5,807	4 354	6,193	5,020
29,050	29,100	5 821	4 361	6 207	5,034
29,100	29,150	5 835	4 369	6 221	5 048
29,150	29,200	5,849	4 376	6,235	5 062
29,200	29,250	5 863	4 384	6,249	5 076
29,250	29,300	5 877	4 391	6,263	5 090
29,300	29,350	5 891	4 399	6 277	5 104
29,350	29,400	5 905	4 406	6,291	5 118
29,400	29,450	5,919	4,414	6,305	5 132
29,450	29,500	5 933	4 421	6 319	5 146
29,500	29,550	5 947	4 429	6 333	5 160
29,550	29,600	5,961	4 436	6 347	5 174
29,600	29,650	5 975	4 444	6 361	5 188
29,650	29,700	5 989	4 451	6,375	5 202
29,700	29,750	6 003	4 459	6 389	5 216
29,750	29,800	6,017	4 470	6 403	5 230
29,800	29,850	6,031	4 484	6 417	5 244
29,850	29,900	6 045	4 498	6 431	5,258
29,900	29,950	6,059	4 512	6,445	5,272
29,950	30,000	6,073	4,526	6 459	5 286
30,000					
30,000	30,050	6,087	4 540	6,473	5 300
30,050	30,100	6,101	4 554	6 487	5 314
30,100	30,150	6,115	4 568	6 501	5,328
30,150	30,200	6 129	4,582	6,515	5 342
30,200	30,250	6 143	4,596	6,529	5,356
30,250	30,300	6 157	4 610	6 543	5 370
30,300	30,350	6 171	4 624	6 557	5,384
30,350	30,400	6 185	4 638	6,571	5,398
30,400	30,450	6 199	4 652	6 585	5 412
30,450	30,500	6 213	4 666	6,599	5 426
30,500	30,550	6,227	4 680	6 613	5 440
30,550	30,600	6 241	4 694	6 627	5 454
30,600	30,650	6,255	4 708	6 641	5 468
30,650	30,700	6,269	4 722	6 655	5 482
30,700	30,750	6 283	4 736	6 669	5 496
30,750	30,800	6 297	4 750	6 683	5 510
30,800	30,850	6,311	4 764	6 697	5 524
30,850	30,900	6,325	4 778	6,711	5,538
30,900	30,950	6,339	4 792	6,725	5,552
30,950	31,000	6,353	4,806	6,739	5,566
31,000					
31,000	31,050	6,367	4,820	6,753	5,580
31,050	31,100	6,381	4,834	6,767	5 594
31,100	31,150	6,395	4,848	6 781	5 608
31,150	31,200	6 409	4,862	6,795	5 622
31,200	31,250	6,423	4,876	6,809	5 636
31,250	31,300	6 437	4,890	6 823	5 650
31,300	31,350	6 451	4 904	6 837	5 664
31,350	31,400	6 465	4 918	6 851	5 678
31,400	31,450	6,479	4,932	6,865	5 692
31,450	31,500	6,493	4 946	6 879	5,706
31,500	31,550	6,507	4,960	6,893	5,720
31,550	31,600	6,521	4 974	6,907	5,734
31,600	31,650	6,535	4 988	6 921	5,748
31,650	31,700	6,549	5,002	6 935	5,762
31,700	31,750	6,563	5,016	6,949	5,776
31,750	31,800	6,577	5,030	6,963	5,790
31,800	31,850	6,591	5,044	6,977	5,804
31,850	31,900	6 605	5,058	6,991	5,818
31,900	31,950	6 619	5,072	7,005	5,832
31,950	32,000	6,633	5,086	7,019	5,846

Continued on next page

* This column must also be used by a qualifying widow(er)

1988 Tax Table—*Continued*

If line 37 (taxable income) is— At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a house hold
		Your tax is—			
32,000					
32,000	32,050	6,647	5,100	7,033	5,860
32,050	32,100	6,661	5,114	7,047	5,874
32,100	32,150	6,675	5,128	7,061	5,888
32,150	32,200	6,689	5,142	7,075	5,902
32,200	32,250	6,703	5,156	7,089	5,916
32,250	32,300	6,717	5,170	7,103	5,930
32,300	32,350	6,731	5,184	7,117	5,944
32,350	32,400	6,745	5,198	7,131	5,958
32,400	32,450	6,759	5,212	7,145	5,972
32,450	32,500	6,773	5,226	7,159	5,986
32,500	32,550	6,787	5,240	7,173	6,000
32,550	32,600	6,801	5,254	7,187	6,014
32,600	32,650	6,815	5,268	7,201	6,028
32,650	32,700	6,829	5,282	7,215	6,042
32,700	32,750	6,843	5,296	7,229	6,056
32,750	32,800	6,857	5,310	7,243	6,070
32,800	32,850	6,871	5,324	7,257	6,084
32,850	32,900	6,885	5,338	7,271	6,098
32,900	32,950	6,899	5,352	7,285	6,112
32,950	33,000	6,913	5,366	7,299	6,126
33,000					
33,000	33,050	6,927	5,380	7,313	6,140
33,050	33,100	6,941	5,394	7,327	6,154
33,100	33,150	6,955	5,408	7,341	6,168
33,150	33,200	6,969	5,422	7,355	6,182
33,200	33,250	6,983	5,436	7,369	6,196
33,250	33,300	6,997	5,450	7,383	6,210
33,300	33,350	7,011	5,464	7,397	6,224
33,350	33,400	7,025	5,478	7,411	6,238
33,400	33,450	7,039	5,492	7,425	6,252
33,450	33,500	7,053	5,506	7,439	6,266
33,500	33,550	7,067	5,520	7,453	6,280
33,550	33,600	7,081	5,534	7,467	6,294
33,600	33,650	7,095	5,548	7,481	6,308
33,650	33,700	7,109	5,562	7,495	6,322
33,700	33,750	7,123	5,576	7,509	6,336
33,750	33,800	7,137	5,590	7,523	6,350
33,800	33,850	7,151	5,604	7,537	6,364
33,850	33,900	7,165	5,618	7,551	6,378
33,900	33,950	7,179	5,632	7,565	6,392
33,950	34,000	7,193	5,646	7,579	6,406
34,000					
34,000	34,050	7,207	5,660	7,593	6,420
34,050	34,100	7,221	5,674	7,607	6,434
34,100	34,150	7,235	5,688	7,621	6,448
34,150	34,200	7,249	5,702	7,635	6,462
34,200	34,250	7,263	5,716	7,649	6,476
34,250	34,300	7,277	5,730	7,663	6,490
34,300	34,350	7,291	5,744	7,677	6,504
34,350	34,400	7,305	5,758	7,691	6,518
34,400	34,450	7,319	5,772	7,705	6,532
34,450	34,500	7,333	5,786	7,719	6,546
34,500	34,550	7,347	5,800	7,733	6,560
34,550	34,600	7,361	5,814	7,747	6,574
34,600	34,650	7,375	5,828	7,761	6,588
34,650	34,700	7,389	5,842	7,775	6,602
34,700	34,750	7,403	5,856	7,789	6,616
34,750	34,800	7,417	5,870	7,803	6,630
34,800	34,850	7,431	5,884	7,817	6,644
34,850	34,900	7,445	5,898	7,831	6,658
34,900	34,950	7,459	5,912	7,845	6,672
34,950	35,000	7,473	5,926	7,859	6,686
35,000					
35,000	35,050	7,487	5,940	7,873	6,700
35,050	35,100	7,501	5,954	7,887	6,714
35,100	35,150	7,515	5,968	7,901	6,728
35,150	35,200	7,529	5,982	7,915	6,742
35,200	35,250	7,543	5,996	7,929	6,756
35,250	35,300	7,557	6,010	7,943	6,770
35,300	35,350	7,571	6,024	7,957	6,784
35,350	35,400	7,585	6,038	7,971	6,798
35,400	35,450	7,599	6,052	7,985	6,812
35,450	35,500	7,613	6,066	7,999	6,826
35,500	35,550	7,627	6,080	8,013	6,840
35,550	35,600	7,641	6,094	8,027	6,854
35,600	35,650	7,655	6,108	8,041	6,868
35,650	35,700	7,669	6,122	8,055	6,882
35,700	35,750	7,683	6,136	8,069	6,896
35,750	35,800	7,697	6,150	8,083	6,910
35,800	35,850	7,711	6,164	8,097	6,924
35,850	35,900	7,725	6,178	8,111	6,938
35,900	35,950	7,739	6,192	8,125	6,952
35,950	36,000	7,753	6,206	8,141	6,966
36,000					
36,000	36,050	7,767	6,220	8,157	6,980
36,050	36,100	7,781	6,234	8,174	6,994
36,100	36,150	7,795	6,248	8,190	7,008
36,150	36,200	7,809	6,262	8,207	7,022
36,200	36,250	7,823	6,276	8,223	7,036
36,250	36,300	7,837	6,290	8,240	7,050
36,300	36,350	7,851	6,304	8,256	7,064
36,350	36,400	7,865	6,318	8,273	7,078
36,400	36,450	7,879	6,332	8,289	7,092
36,450	36,500	7,893	6,346	8,306	7,106
36,500	36,550	7,907	6,360	8,322	7,120
36,550	36,600	7,921	6,374	8,339	7,134
36,600	36,650	7,935	6,388	8,355	7,148
36,650	36,700	7,949	6,402	8,372	7,162
36,700	36,750	7,963	6,416	8,388	7,176
36,750	36,800	7,977	6,430	8,405	7,190
36,800	36,850	7,991	6,444	8,421	7,204
36,850	36,900	8,005	6,458	8,438	7,218
36,900	36,950	8,019	6,472	8,454	7,232
36,950	37,000	8,033	6,486	8,471	7,246
37,000					
37,000	37,050	8,047	6,500	8,487	7,260
37,050	37,100	8,061	6,514	8,504	7,274
37,100	37,150	8,075	6,528	8,520	7,288
37,150	37,200	8,089	6,542	8,537	7,302
37,200	37,250	8,103	6,556	8,553	7,316
37,250	37,300	8,117	6,570	8,570	7,330
37,300	37,350	8,131	6,584	8,586	7,344
37,350	37,400	8,145	6,598	8,603	7,358
37,400	37,450	8,159	6,612	8,619	7,372
37,450	37,500	8,173	6,626	8,636	7,386
37,500	37,550	8,187	6,640	8,652	7,400
37,550	37,600	8,201	6,654	8,669	7,414
37,600	37,650	8,215	6,668	8,685	7,428
37,650	37,700	8,229	6,682	8,702	7,442
37,700	37,750	8,243	6,696	8,718	7,456
37,750	37,800	8,257	6,710	8,735	7,470
37,800	37,850	8,271	6,724	8,751	7,484
37,850	37,900	8,285	6,738	8,768	7,498
37,900	37,950	8,299	6,752	8,784	7,512
37,950	38,000	8,313	6,766	8,801	7,526
38,000					
38,000	38,050	8,327	6,780	8,817	7,540
38,050	38,100	8,341	6,794	8,834	7,554
38,100	38,150	8,355	6,808	8,850	7,568
38,150	38,200	8,369	6,822	8,867	7,582
38,200	38,250	8,383	6,836	8,883	7,596
38,250	38,300	8,397	6,850	8,900	7,610
38,300	38,350	8,411	6,864	8,916	7,624
38,350	38,400	8,425	6,878	8,933	7,638
38,400	38,450	8,439	6,892	8,949	7,652
38,450	38,500	8,453	6,906	8,966	7,666
38,500	38,550	8,467	6,920	8,982	7,680
38,550	38,600	8,481	6,934	8,999	7,694
38,600	38,650	8,495	6,948	9,015	7,708
38,650	38,700	8,509	6,962	9,032	7,722
38,700	38,750	8,523	6,976	9,048	7,736
38,750	38,800	8,537	6,990	9,065	7,750
38,800	38,850	8,551	7,004	9,081	7,764
38,850	38,900	8,565	7,018	9,098	7,778
38,900	38,950	8,579	7,032	9,114	7,792
38,950	39,000	8,593	7,046	9,131	7,806
39,000					
39,000	39,050	8,607	7,060	9,147	7,820
39,050	39,100	8,621	7,074	9,164	7,834
39,100	39,150	8,635	7,088	9,180	7,848
39,150	39,200	8,649	7,102	9,197	7,862
39,200	39,250	8,663	7,116	9,213	7,876
39,250	39,300	8,677	7,130	9,230	7,890
39,300	39,350	8,691	7,144	9,246	7,904
39,350	39,400	8,705	7,158	9,263	7,918
39,400	39,450	8,719	7,172	9,279	7,932
39,450	39,500	8,733	7,186	9,296	7,946
39,500	39,550	8,747	7,200	9,312	7,960
39,550	39,600	8,761	7,214	9,329	7,974
39,600	39,650	8,775	7,228	9,345	7,988
39,650	39,700	8,789	7,242	9,362	8,002
39,700	39,750	8,803	7,256	9,378	8,016
39,750	39,800	8,817	7,270	9,395	8,030
39,800	39,850	8,831	7,284	9,411	8,044
39,850	39,900	8,845	7,298	9,428	8,058
39,900	39,950	8,859	7,312	9,444	8,072
39,950	40,000	8,873	7,326	9,461	8,086
40,000					
40,000	40,050	8,887	7,340	9,477	8,100
40,050	40,100	8,901	7,354	9,494	8,114
40,100	40,150	8,915	7,368	9,510	8,128
40,150	40,200	8,929	7,382	9,527	8,142
40,200	40,250	8,943	7,396	9,543	8,156
40,250	40,300	8,957	7,410	9,560	8,170
40,300	40,350	8,971	7,424	9,576	8,184
40,350	40,400	8,985	7,438	9,593	8,198
40,400	40,450	8,999	7,452	9,609	8,212
40,450	40,500	9,013	7,466	9,626	8,226
40,500	40,550	9,027	7,480	9,642	8,240
40,550	40,600	9,041	7,494	9,659	8,254
40,600	40,650	9,055	7,508	9,675	8,268
40,650	40,700	9,069	7,522	9,692	8,282
40,700	40,750	9,083	7,536	9,708	8,296
40,750	40,800	9,097	7,550	9,725	8,310
40,800	40,850	9,111	7,564	9,741	8,324
40,850	40,900	9,125	7,578	9,758	8,338
40,900	40,950	9,139	7,592	9,774	8,352
40,950	41,000	9,153	7,606	9,791	8,366

* This column must also be used by a qualifying widow(er)

Continued on next page

1988 Tax Table—*Continued*

If line 37 (taxable income) is— At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a house hold
		Your tax is—			
41,000					
41,000	41,050	9,167	7,620	9,807	8,380
41,050	41,100	9,181	7,634	9,824	8,394
41,100	41,150	9,195	7,648	9,840	8,408
41,150	41,200	9,209	7,662	9,857	8,422
41,200	41,250	9,223	7,676	9,873	8,436
41,250	41,300	9,237	7,690	9,890	8,450
41,300	41,350	9,251	7,704	9,906	8,464
41,350	41,400	9,265	7,718	9,923	8,478
41,400	41,450	9,279	7,732	9,939	8,492
41,450	41,500	9,293	7,746	9,956	8,506
41,500	41,550	9,307	7,760	9,972	8,520
41,550	41,600	9,321	7,774	9,989	8,534
41,600	41,650	9,335	7,788	10,005	8,548
41,650	41,700	9,349	7,802	10,022	8,562
41,700	41,750	9,363	7,816	10,038	8,576
41,750	41,800	9,377	7,830	10,055	8,590
41,800	41,850	9,391	7,844	10,071	8,604
41,850	41,900	9,405	7,858	10,088	8,618
41,900	41,950	9,419	7,872	10,104	8,632
41,950	42,000	9,433	7,886	10,121	8,646
42,000					
42,000	42,050	9,447	7,900	10,137	8,660
42,050	42,100	9,461	7,914	10,154	8,674
42,100	42,150	9,475	7,928	10,170	8,688
42,150	42,200	9,489	7,942	10,187	8,702
42,200	42,250	9,503	7,956	10,203	8,716
42,250	42,300	9,517	7,970	10,220	8,730
42,300	42,350	9,531	7,984	10,236	8,744
42,350	42,400	9,545	7,998	10,253	8,758
42,400	42,450	9,559	8,012	10,269	8,772
42,450	42,500	9,573	8,026	10,286	8,786
42,500	42,550	9,587	8,040	10,302	8,800
42,550	42,600	9,601	8,054	10,319	8,814
42,600	42,650	9,615	8,068	10,335	8,828
42,650	42,700	9,629	8,082	10,352	8,842
42,700	42,750	9,643	8,096	10,368	8,856
42,750	42,800	9,657	8,110	10,385	8,870
42,800	42,850	9,671	8,124	10,401	8,884
42,850	42,900	9,685	8,138	10,418	8,898
42,900	42,950	9,699	8,152	10,434	8,912
42,950	43,000	9,713	8,166	10,451	8,926
43,000					
43,000	43,050	9,727	8,180	10,467	8,940
43,050	43,100	9,741	8,194	10,484	8,954
43,100	43,150	9,755	8,208	10,500	8,968
43,150	43,200	9,770	8,222	10,517	8,982
43,200	43,250	9,786	8,236	10,533	8,996
43,250	43,300	9,803	8,250	10,550	9,010
43,300	43,350	9,819	8,264	10,566	9,024
43,350	43,400	9,836	8,278	10,583	9,038
43,400	43,450	9,852	8,292	10,599	9,052
43,450	43,500	9,869	8,306	10,616	9,066
43,500	43,550	9,885	8,320	10,632	9,080
43,550	43,600	9,902	8,334	10,649	9,094
43,600	43,650	9,918	8,348	10,665	9,108
43,650	43,700	9,935	8,362	10,682	9,122
43,700	43,750	9,951	8,376	10,698	9,136
43,750	43,800	9,968	8,390	10,715	9,150
43,800	43,850	9,984	8,404	10,731	9,164
43,850	43,900	10,001	8,418	10,748	9,178
43,900	43,950	10,017	8,432	10,764	9,192
43,950	44,000	10,034	8,446	10,781	9,206
44,000					
44,000	44,050	10,050	8,460	10,797	9,220
44,050	44,100	10,067	8,474	10,814	9,234
44,100	44,150	10,083	8,488	10,830	9,248
44,150	44,200	10,100	8,502	10,847	9,262
44,200	44,250	10,116	8,516	10,863	9,276
44,250	44,300	10,133	8,530	10,880	9,290
44,300	44,350	10,149	8,544	10,896	9,304
44,350	44,400	10,166	8,558	10,913	9,318
44,400	44,450	10,182	8,572	10,929	9,332
44,450	44,500	10,199	8,586	10,946	9,346
44,500	44,550	10,215	8,600	10,962	9,360
44,550	44,600	10,232	8,614	10,979	9,374
44,600	44,650	10,248	8,628	10,995	9,388
44,650	44,700	10,265	8,642	11,012	9,402
44,700	44,750	10,281	8,656	11,028	9,416
44,750	44,800	10,298	8,670	11,045	9,430
44,800	44,850	10,314	8,684	11,061	9,444
44,850	44,900	10,331	8,698	11,078	9,458
44,900	44,950	10,347	8,712	11,094	9,472
44,950	45,000	10,364	8,726	11,111	9,486
45,000					
45,000	45,050	10,380	8,740	11,127	9,500
45,050	45,100	10,397	8,754	11,144	9,514
45,100	45,150	10,413	8,768	11,160	9,528
45,150	45,200	10,430	8,782	11,177	9,542
45,200	45,250	10,446	8,796	11,193	9,556
45,250	45,300	10,463	8,810	11,210	9,570
45,300	45,350	10,479	8,824	11,226	9,584
45,350	45,400	10,496	8,838	11,243	9,598
45,400	45,450	10,512	8,852	11,259	9,612
45,450	45,500	10,529	8,866	11,276	9,626
45,500	45,550	10,545	8,880	11,292	9,640
45,550	45,600	10,562	8,894	11,309	9,654
45,600	45,650	10,578	8,908	11,325	9,668
45,650	45,700	10,595	8,922	11,342	9,682
45,700	45,750	10,611	8,936	11,358	9,696
45,750	45,800	10,628	8,950	11,375	9,710
45,800	45,850	10,644	8,964	11,391	9,724
45,850	45,900	10,661	8,978	11,408	9,738
45,900	45,950	10,677	8,992	11,424	9,752
45,950	46,000	10,694	9,006	11,441	9,766
46,000					
46,000	46,050	10,710	9,020	11,457	9,780
46,050	46,100	10,727	9,034	11,474	9,794
46,100	46,150	10,743	9,048	11,490	9,808
46,150	46,200	10,760	9,062	11,507	9,822
46,200	46,250	10,776	9,076	11,523	9,836
46,250	46,300	10,793	9,090	11,540	9,850
46,300	46,350	10,809	9,104	11,556	9,864
46,350	46,400	10,826	9,118	11,573	9,878
46,400	46,450	10,842	9,132	11,589	9,892
46,450	46,500	10,859	9,146	11,606	9,906
46,500	46,550	10,875	9,160	11,622	9,920
46,550	46,600	10,892	9,174	11,639	9,934
46,600	46,650	10,908	9,188	11,655	9,948
46,650	46,700	10,925	9,202	11,672	9,962
46,700	46,750	10,941	9,216	11,688	9,976
46,750	46,800	10,958	9,230	11,705	9,990
46,800	46,850	10,974	9,244	11,721	10,004
46,850	46,900	10,991	9,258	11,738	10,018
46,900	46,950	11,007	9,272	11,754	10,032
46,950	47,000	11,024	9,286	11,771	10,046
47,000					
47,000	47,050	11,040	9,300	11,787	10,060
47,050	47,100	11,057	9,314	11,804	10,074
47,100	47,150	11,073	9,328	11,820	10,088
47,150	47,200	11,090	9,342	11,837	10,102
47,200	47,250	11,106	9,356	11,853	10,116
47,250	47,300	11,123	9,370	11,870	10,130
47,300	47,350	11,139	9,384	11,886	10,144
47,350	47,400	11,156	9,398	11,903	10,158
47,400	47,450	11,172	9,412	11,919	10,172
47,450	47,500	11,189	9,426	11,936	10,186
47,500	47,550	11,205	9,440	11,952	10,200
47,550	47,600	11,222	9,454	11,969	10,214
47,600	47,650	11,238	9,468	11,985	10,228
47,650	47,700	11,255	9,482	12,002	10,242
47,700	47,750	11,271	9,496	12,018	10,256
47,750	47,800	11,288	9,510	12,035	10,270
47,800	47,850	11,304	9,524	12,051	10,284
47,850	47,900	11,321	9,538	12,068	10,298
47,900	47,950	11,337	9,552	12,084	10,312
47,950	48,000	11,354	9,566	12,101	10,326
48,000					
48,000	48,050	11,370	9,580	12,117	10,340
48,050	48,100	11,387	9,594	12,134	10,354
48,100	48,150	11,403	9,608	12,150	10,368
48,150	48,200	11,420	9,622	12,167	10,382
48,200	48,250	11,436	9,636	12,183	10,396
48,250	48,300	11,453	9,650	12,200	10,410
48,300	48,350	11,469	9,664	12,216	10,424
48,350	48,400	11,486	9,678	12,233	10,438
48,400	48,450	11,502	9,692	12,249	10,452
48,450	48,500	11,519	9,706	12,266	10,466
48,500	48,550	11,535	9,720	12,282	10,480
48,550	48,600	11,552	9,734	12,299	10,494
48,600	48,650	11,568	9,748	12,315	10,508
48,650	48,700	11,585	9,762	12,332	10,522
48,700	48,750	11,601	9,776	12,348	10,536
48,750	48,800	11,618	9,790	12,365	10,550
48,800	48,850	11,634	9,804	12,381	10,564
48,850	48,900	11,651	9,818	12,398	10,578
48,900	48,950	11,667	9,832	12,414	10,592
48,950	49,000	11,684	9,846	12,431	10,606
49,000					
49,000	49,050	11,700	9,860	12,447	10,620
49,050	49,100	11,717	9,874	12,464	10,634
49,100	49,150	11,733	9,888	12,480	10,648
49,150	49,200	11,750	9,902	12,497	10,662
49,200	49,250	11,766	9,916	12,513	10,676
49,250	49,300	11,783	9,930	12,530	10,690
49,300	49,350	11,799	9,944	12,546	10,704
49,350	49,400	11,816	9,958	12,563	10,718
49,400	49,450	11,832	9,972	12,579	10,732
49,450	49,500	11,849	9,986	12,596	10,746
49,500	49,550	11,865	10,000	12,612	10,760
49,550	49,600	11,882	10,014	12,629	10,774
49,600	49,650	11,898	10,028	12,645	10,788
49,650	49,700	11,915	10,042	12,662	10,802
49,700	49,750	11,931	10,056	12,678	10,816
49,750	49,800	11,948	10,070	12,695	10,830
49,800	49,850	11,964	10,084	12,711	10,844
49,850	49,900	11,981	10,098	12,728	10,858
49,900	49,950	11,997	10,112	12,744	10,872
49,950	50,000	12,014	10,126	12,761	10,886

* This column must also be used by a qualifying widow(er)

50,000 or over—use tax rate schedules

1988 Tax Rate Schedules

Caution: *Use ONLY if your taxable income (Form 1040, line 37) is $50,000 or more. If less, use the* ***Tax Table****.*

Schedule X—Use if your filing status is Single

If the amount on Form 1040 line 37 is Over—	But not over—	Enter on Form 1040 line 38	of the amount over—
$0	$17,850	15%	$0
17,850	43,150	$2,677.50 + 28%	17,850
43,150	89,560	9,761.50 + 33%	43,150
89,560		Use **Worksheet** below to figure your tax	

Schedule Z—Use if your filing status is Head of household

If the amount on Form 1040 line 37 is Over—	But not over—	Enter on Form 1040 line 38	of the amount over—
$0	$23,900	15%	$0
23,900	61,650	$3,585 + 28%	23,900
61,650	123,790	14,155 + 33%	61,650
123,790		Use **Worksheet** below to figure your tax	

Schedule Y-1—Use if your filing status is Married filing jointly or Qualifying widow(er)

If the amount on Form 1040 line 37 is Over—	But not over—	Enter on Form 1040 line 38	of the amount over—
$0	$29,750	15%	$0
29,750	71,900	$4,462.50 + 28%	29,750
71,900	149,250	16,264.50 + 33%	71,900
149,250		Use **Worksheet** below to figure your tax	

Schedule Y-2—Use if your filing status is Married filing separately

If the amount on Form 1040 line 37 is Over—	But not over—	Enter on Form 1040 line 38	of the amount over—
$0	$14,875	15%	$0
14,875	35,950	$2,231.25 + 28%	14,875
35,950	113,300	8,132.25 + 33%	35,950
113,300		Use **Worksheet** below to figure your tax	

Worksheet (Keep for your records)

1. If your filing status is
   - Single, enter $25,076.80
   - Head of household, enter $34,661.20
   - Married filing jointly or Qualifying widow(er), enter $41,790.00
   - Married filing separately, enter $33,657.75 — 1. _____
2. Enter your taxable income from Form 1040, line 37 — 2. _____
3. If your filing status is
   - Single, enter $89,560
   - Head of household, enter $123,790
   - Married filing jointly or Qualifying widow(er), enter $149,250
   - Married filing separately, enter $113,300 — 3. _____
4. Subtract line 3 from line 2. Enter the result. (If the result is zero or less, use the schedule above for your filing status to figure your tax. DO NOT use this worksheet.) — 4. _____
5. Multiply the amount on line 4 by 28% (.28). Enter the result — 5. _____
6. Multiply the amount on line 4 by 5% (.05). Enter the result — 6. _____
7. Multiply $546 by the number of exemptions claimed on Form 1040, line 6e. (If married filing separately, see the **Caution** below.) Enter the result — 7. _____
8. Compare the amounts on lines 6 and 7. Enter the **smaller** of the two amounts — 8. _____
9. **Tax.** Add lines 1, 5, and 8. Enter the total here and on Form 1040, line 38 — 9. _____

Caution: *Pending legislation would require married persons filing separately who did* ***not*** *claim an exemption for their spouse to add $546 to the result otherwise figured on line 7 above. Get* ***Pub. 553****, Highlights of 1988 Tax Changes, to find out whether this law was passed.*

1988 Earned Income Credit Table

Caution: *This is Not a Tax Table*

To find your earned income credit Read down the column titled "If line 3 or 4 of the worksheet is—" and find the appropriate amount from the Earned Income Credit Worksheet on page 20. Read across to the right and find the amount of the income credit. Enter that amount on line 5 or 6 of the worksheet, whichever applies.

If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—
$1	$25	$2	$1,600	$1,625	$226	$3,200	$3,225	$450	$4,800	$4,825	$674	$10,000	$10,025	$857
25	50	5	1,625	1,650	229	3,225	3,250	453	4,825	4,850	677	10,025	10,050	854
50	75	9	1,650	1,675	233	3,250	3,275	457	4,850	4,875	681	10,050	10,075	852
75	100	12	1,675	1,700	236	3,275	3,300	460	4,875	4,900	684	10,075	10,100	849
100	125	16	1,700	1,725	240	3,300	3,325	464	4,900	4,925	688	10,100	10,125	847
125	150	19	1,725	1,750	243	3,325	3,350	467	4,925	4,950	691	10,125	10,150	844
150	175	23	1,750	1,775	247	3,350	3,375	471	4,950	4,975	695	10,150	10,175	842
175	200	26	1,775	1,800	250	3,375	3,400	474	4,975	5,000	698	10,175	10,200	839
200	225	30	1,800	1,825	254	3,400	3,425	478	5,000	5,025	702	10,200	10,225	837
225	250	33	1,825	1,850	257	3,425	3,450	481	5,025	5,050	705	10,225	10,250	834
250	275	37	1,850	1,875	261	3,450	3,475	485	5,050	5,075	709	10,250	10,275	832
275	300	40	1,875	1,900	264	3,475	3,500	488	5,075	5,100	712	10,275	10,300	829
300	325	44	1,900	1,925	268	3,500	3,525	492	5,100	5,125	716	10,300	10,325	827
325	350	47	1,925	1,950	271	3,525	3,550	495	5,125	5,150	719	10,325	10,350	824
350	375	51	1,950	1,975	275	3,550	3,575	499	5,150	5,175	723	10,350	10,375	822
375	400	54	1,975	2,000	278	3,575	3,600	502	5,175	5,200	726	10,375	10,400	819
400	425	58	2,000	2,025	282	3,600	3,625	506	5,200	5,225	730	10,400	10,425	817
425	450	61	2,025	2,050	285	3,625	3,650	509	5,225	5,250	733	10,425	10,450	814
450	475	65	2,050	2,075	289	3,650	3,675	513	5,250	5,275	737	10,450	10,475	812
475	500	68	2,075	2,100	292	3,675	3,700	516	5,275	5,300	740	10,475	10,500	809
500	525	72	2,100	2,125	296	3,700	3,725	520	5,300	5,325	744	10,500	10,525	807
525	550	75	2,125	2,150	299	3,725	3,750	523	5,325	5,350	747	10,525	10,550	804
550	575	79	2,150	2,175	303	3,750	3,775	527	5,350	5,375	751	10,550	10,575	802
575	600	82	2,175	2,200	306	3,775	3,800	530	5,375	5,400	754	10,575	10,600	799
600	625	86	2,200	2,225	310	3,800	3,825	534	5,400	5,425	758	10,600	10,625	797
625	650	89	2,225	2,250	313	3,825	3,850	537	5,425	5,450	761	10,625	10,650	794
650	675	93	2,250	2,275	317	3,850	3,875	541	5,450	5,475	765	10,650	10,675	792
675	700	96	2,275	2,300	320	3,875	3,900	544	5,475	5,500	768	10,675	10,700	789
700	725	100	2,300	2,325	324	3,900	3,925	548	5,500	5,525	772	10,700	10,725	787
725	750	103	2,325	2,350	327	3,925	3,950	551	5,525	5,550	775	10,725	10,750	784
750	775	107	2,350	2,375	331	3,950	3,975	555	5,550	5,575	779	10,750	10,775	782
775	800	110	2,375	2,400	334	3,975	4,000	558	5,575	5,600	782	10,775	10,800	779
800	825	114	2,400	2,425	338	4,000	4,025	562	5,600	5,625	786	10,800	10,825	777
825	850	117	2,425	2,450	341	4,025	4,050	565	5,625	5,650	789	10,825	10,850	774
850	875	121	2,450	2,475	345	4,050	4,075	569	5,650	5,675	793	10,850	10,875	772
875	900	124	2,475	2,500	348	4,075	4,100	572	5,675	5,700	796	10,875	10,900	769
900	925	128	2,500	2,525	352	4,100	4,125	576	5,700	5,725	800	10,900	10,925	767
925	950	131	2,525	2,550	355	4,125	4,150	579	5,725	5,750	803	10,925	10,950	764
950	975	135	2,550	2,575	359	4,150	4,175	583	5,750	5,775	807	10,950	10,975	762
975	1,000	138	2,575	2,600	362	4,175	4,200	586	5,775	5,800	810	10,975	11,000	759
1,000	1,025	142	2,600	2,625	366	4,200	4,225	590	5,800	5,825	814	11,000	11,025	757
1,025	1,050	145	2,625	2,650	369	4,225	4,250	593	5,825	5,850	817	11,025	11,050	754
1,050	1,075	149	2,650	2,675	373	4,250	4,275	597	5,850	5,875	821	11,050	11,075	752
1,075	1,100	152	2,675	2,700	376	4,275	4,300	600	5,875	5,900	824	11,075	11,100	749
1,100	1,125	156	2,700	2,725	380	4,300	4,325	604	5,900	5,925	828	11,100	11,125	747
1,125	1,150	159	2,725	2,750	383	4,325	4,350	607	5,925	5,950	831	11,125	11,150	744
1,150	1,175	163	2,750	2,775	387	4,350	4,375	611	5,950	5,975	835	11,150	11,175	742
1,175	1,200	166	2,775	2,800	390	4,375	4,400	614	5,975	6,000	838	11,175	11,200	739
1,200	1,225	170	2,800	2,825	394	4,400	4,425	618	6,000	6,025	842	11,200	11,225	737
1,225	1,250	173	2,825	2,850	397	4,425	4,450	621	6,025	6,050	845	11,225	11,250	734
1,250	1,275	177	2,850	2,875	401	4,450	4,475	625	6,050	6,075	849	11,250	11,275	732
1,275	1,300	180	2,875	2,900	404	4,475	4,500	628	6,075	6,100	852	11,275	11,300	729
1,300	1,325	184	2,900	2,925	408	4,500	4,525	632	6,100	6,125	856	11,300	11,325	727
1,325	1,350	187	2,925	2,950	411	4,525	4,550	635	6,125	6,150	859	11,325	11,350	724
1,350	1,375	191	2,950	2,975	415	4,550	4,575	639	6,150	6,175	863	11,350	11,375	722
1,375	1,400	194	2,975	3,000	418	4,575	4,600	642	6,175	6,200	866	11,375	11,400	719
1,400	1,425	198	3,000	3,025	422	4,600	4,625	646	6,200	6,225	870	11,400	11,425	717
1,425	1,450	201	3,025	3,050	425	4,625	4,650	649	6,225	6,250	874	11,425	11,450	714
1,450	1,475	205	3,050	3,075	429	4,650	4,675	653	6,250	6,275	872	11,450	11,475	712
1,475	1,500	208	3,075	3,100	432	4,675	4,700	656	6,275	6,300	869	11,475	11,500	709
1,500	1,525	212	3,100	3,125	436	4,700	4,725	660	6,300	6,325	867	11,500	11,525	707
1,525	1,550	215	3,125	3,150	439	4,725	4,750	663	6,325	6,350	864	11,525	11,550	704
1,550	1,575	219	3,150	3,175	443	4,750	4,775	667	6,350	6,375	862	11,550	11,575	702
1,575	1,600	222	3,175	3,200	446	4,775	4,800	670	6,375	6,400	859	11,575	11,600	699

1988 Earned Income Credit Table *(continued)*

If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—
$11,600	$11,625	$697	$13,000	$13,025	$557	$14,400	$14,425	$417	$15,800	$15,825	$277	$17,200	$17,225	$137
11,625	11,650	694	13,025	13,050	554	14,425	14,450	414	15,825	15,850	274	17,225	17,250	134
11,650	11,675	692	13,050	13,075	552	14,450	14,475	412	15,850	15,875	272	17,250	17,275	132
11,675	11,700	689	13,075	13,100	549	14,475	14,500	409	15,875	15,900	269	17,275	17,300	129
11,700	11,725	687	13,100	13,125	547	14,500	14,525	407	15,900	15,925	267	17,300	17,325	127
11,725	11,750	684	13,125	13,150	544	14,525	14,550	404	15,925	15,950	264	17,325	17,350	124
11,750	11,775	682	13,150	13,175	542	14,550	14,575	402	15,950	15,975	262	17,350	17,375	122
11,775	11,800	679	13,175	13,200	539	14,575	14,600	399	15,975	16,000	259	17,375	17,400	119
11,800	11,825	677	13,200	13,225	537	14,600	14,625	397	16,000	16,025	257	17,400	17,425	117
11,825	11,850	674	13,225	13,250	534	14,625	14,650	394	16,025	16,050	254	17,425	17,450	114
11,850	11,875	672	13,250	13,275	532	14,650	14,675	392	16,050	16,075	252	17,450	17,475	112
11,875	11,900	669	13,275	13,300	529	14,675	14,700	389	16,075	16,100	249	17,475	17,500	109
11,900	11,925	667	13,300	13,325	527	14,700	14,725	387	16,100	16,125	247	17,500	17,525	107
11,925	11,950	664	13,325	13,350	524	14,725	14,750	384	16,125	16,150	244	17,525	17,550	104
11,950	11,975	662	13,350	13,375	522	14,750	14,775	382	16,150	16,175	242	17,550	17,575	102
11,975	12,000	659	13,375	13,400	519	14,775	14,800	379	16,175	16,200	239	17,575	17,600	99
12,000	12,025	657	13,400	13,425	517	14,800	14,825	377	16,200	16,225	237	17,600	17,625	97
12,025	12,050	654	13,425	13,450	514	14,825	14,850	374	16,225	16,250	234	17,625	17,650	94
12,050	12,075	652	13,450	13,475	512	14,850	14,875	372	16,250	16,275	232	17,650	17,675	92
12,075	12,100	649	13,475	13,500	509	14,875	14,900	369	16,275	16,300	229	17,675	17,700	89
12,100	12,125	647	13,500	13,525	507	14,900	14,925	367	16,300	16,325	227	17,700	17,725	87
12,125	12,150	644	13,525	13,550	504	14,925	14,950	364	16,325	16,350	224	17,725	17,750	84
12,150	12,175	642	13,550	13,575	502	14,950	14,975	362	16,350	16,375	222	17,750	17,775	82
12,175	12,200	639	13,575	13,600	499	14,975	15,000	359	16,375	16,400	219	17,775	17,800	79
12,200	12,225	637	13,600	13,625	497	15,000	15,025	357	16,400	16,425	217	17,800	17,825	77
12,225	12,250	634	13,625	13,650	494	15,025	15,050	354	16,425	16,450	214	17,825	17,850	74
12,250	12,275	632	13,650	13,675	492	15,050	15,075	352	16,450	16,475	212	17,850	17,875	72
12,275	12,300	629	13,675	13,700	489	15,075	15,100	349	16,475	16,500	209	17,875	17,900	69
12,300	12,325	627	13,700	13,725	487	15,100	15,125	347	16,500	16,525	207	17,900	17,925	67
12,325	12,350	624	13,725	13,750	484	15,125	15,150	344	16,525	16,550	204	17,925	17,950	64
12,350	12,375	622	13,750	13,775	482	15,150	15,175	342	16,550	16,575	202	17,950	17,975	62
12,375	12,400	619	13,775	13,800	479	15,175	15,200	339	16,575	16,600	199	17,975	18,000	59
12,400	12,425	617	13,800	13,825	477	15,200	15,225	337	16,600	16,625	197	18,000	18,025	57
12,425	12,450	614	13,825	13,850	474	15,225	15,250	334	16,625	16,650	194	18,025	18,050	54
12,450	12,475	612	13,850	13,875	472	15,250	15,275	332	16,650	16,675	192	18,050	18,075	52
12,475	12,500	609	13,875	13,900	469	15,275	15,300	329	16,675	16,700	189	18,075	18,100	49
12,500	12,525	607	13,900	13,925	467	15,300	15,325	327	16,700	16,725	187	18,100	18,125	47
12,525	12,550	604	13,925	13,950	464	15,325	15,350	324	16,725	16,750	184	18,125	18,150	44
12,550	12,575	602	13,950	13,975	462	15,350	15,375	322	16,750	16,775	182	18,150	18,175	42
12,575	12,600	599	13,975	14,000	459	15,375	15,400	319	16,775	16,800	179	18,175	18,200	39
12,600	12,625	597	14,000	14,025	457	15,400	15,425	317	16,800	16,825	177	18,200	18,225	37
12,625	12,650	594	14,025	14,050	454	15,425	15,450	314	16,825	16,850	174	18,225	18,250	34
12,650	12,675	592	14,050	14,075	452	15,450	15,475	312	16,850	16,875	172	18,250	18,275	32
12,675	12,700	589	14,075	14,100	449	15,475	15,500	309	16,875	16,900	169	18,275	18,300	29
12,700	12,725	587	14,100	14,125	447	15,500	15,525	307	16,900	16,925	167	18,300	18,325	27
12,725	12,750	584	14,125	14,150	444	15,525	15,550	304	16,925	16,950	164	18,325	18,350	24
12,750	12,775	582	14,150	14,175	442	15,550	15,575	302	16,950	16,975	162	18,350	18,375	22
12,775	12,800	579	14,175	14,200	439	15,575	15,600	299	16,975	17,000	159	18,375	18,400	19
12,800	12,825	577	14,200	14,225	437	15,600	15,625	297	17,000	17,025	157	18,400	18,425	17
12,825	12,850	574	14,225	14,250	434	15,625	15,650	294	17,025	17,050	154	18,425	18,450	14
12,850	12,875	572	14,250	14,275	432	15,650	15,675	292	17,050	17,075	152	18,450	18,475	12
12,875	12,900	569	14,275	14,300	429	15,675	15,700	289	17,075	17,100	149	18,475	18,500	9
12,900	12,925	567	14,300	14,325	427	15,700	15,725	287	17,100	17,125	147	18,500	18,525	7
12,925	12,950	564	14,325	14,350	424	15,725	15,750	284	17,125	17,150	144	18,525	18,550	4
12,950	12,975	562	14,350	14,375	422	15,750	15,775	282	17,150	17,175	142	18,550	18,575	2
12,975	13,000	559	14,375	14,400	419	15,775	15,800	279	17,175	17,200	139	18,575	18,576	1

$18,576 or more—you cannot take the credit

What Is Tele-Tax?

Automated Refund Information is available so you can check the status of your refund

Recorded Tax Information has about 140 topics of tax information that answer many Federal tax questions You can hear up to three topics on each call you make

To Call Tele-Tax Toll-Free, Use Only the Numbers Listed Below for Your Area.

Long-distance charges apply if you call from outside the local dialing area of the numbers listed below **Do not dial 1-800 when using a local number.** A complete list of these topics is on the next page

How Do I Use Tele-Tax?

Automated Refund Information

1 **Have a copy of your tax return available since you will need to know the first social security number shown on your return, the filing status, and the *exact* amount of your refund.**

2 Call the appropriate phone number listed below

3 Follow the recorded instructions

4 • Push-button (tone signaling) service is available Monday through Friday from 7 00 A M to 11 30 P M (Hours may vary in your area)

• Rotary (dial)/push-button (pulse dial) service is available Monday through Friday during regular office hours (In Hawaii, from 6 30 A M to 1 00 P M)

Recorded Tax Information

1 Select, by number, the topic you want to hear

2 Have paper and pencil handy to take notes

3 Call the appropriate phone number listed below

4 • If you have a push-button (tone signaling) phone, immediately follow the recorded instructions, or

• If you have a rotary (dial) or push-button (pulse dial) phone wait for further recorded instructions

5 • Push-button (tone signaling) service is available 24 hours a day, 7 days a week

• Rotary (dial)/push-button (pulse dial) service is available Monday through Friday during regular office hours (In Hawaii, from 6 30 A M to 1 00 P M)

ALABAMA
1 800 554 4477

ALASKA
1 800 554 4477

ARIZONA
Phoenix, 252 4909
Elsewhere,
1 800 554 4477

ARKANSAS
1-800-554 4477

CALIFORNIA
Counties of Amador, Calaveras Contra Costa, Marin, and San Joaquin,
1 800-428 4032
Los Angeles 617 3177
Oakland, 839 4245
Elsewhere,
1 800-554 4477

COLORADO
Denver, 592 1118
Elsewhere,
1 800 554 4477

CONNECTICUT
1 800 554 4477

DELAWARE
1 800–554 4477

DISTRICT of COLUMBIA
628 2929

FLORIDA
Jacksonville 353 9579
Elsewhere
1 800 554 4477

GEORGIA
Atlanta 331 6572
Elsewhere,
1 800 554 4477

HAWAII
1 800 554 4477

IDAHO
1 800 554 4477

ILLINOIS
Chicago 829 6397
Springfield, 789 0489
Elsewhere,
1 800 554 4477

INDIANA
Indianapolis 631 1010
Elsewhere
1 800 554 4477

IOWA
1 800 554 4477

KANSAS
1 800 554 4477

KENTUCKY
1 800 554 4477

LOUISIANA
1 800 554 4477

MAINE
1 800 554 4477

MARYLAND
Baltimore 244 7306
Elsewhere,
1-800 554 4477

MASSACHUSETTS
Boston, 523 8602
Elsewhere,
1 800 554 4477

MICHIGAN
Detroit 961 4282
Elsewhere,
1 800 554 4477

MINNESOTA
St Paul, 224-4288
Elsewhere,
1 800 554-4477

MISSISSIPPI
1 800 554 4477

MISSOURI
St Louis, 241 4700
Elsewhere
1 800 554 4477

MONTANA
1 800 554 4477

NEBRASKA
Omaha, 221 3324
Elsewhere
1 800-554 4477

NEVADA
1 800 554 4477

NEW HAMPSHIRE
1-800 554 4477

NEW JERSEY
Newark 624 1223
Elsewhere
1 800 554 4477

NEW MEXICO
1-800 554 4477

NEW YORK
Brooklyn, 858 4461
Buffalo, 856 9320
Manhattan, 406-4080
Queens, 858-4461
Staten Island,
858 4461
Elsewhere
1 800 554 4477

NORTH CAROLINA
1 800 554 4477

NORTH DAKOTA
1 800 554 4477

OHIO
Cincinnati, 421-0329
Cleveland, 522 3037
Elsewhere,
1 800-554-4477

OKLAHOMA
1 800-554 4477

OREGON
Portland, 294 5363
Elsewhere,
1 800 554 4477

PENNSYLVANIA
Philadelphia, 592 8946
Pittsburgh 261 1040
Elsewhere
1 800 554 4477

PUERTO RICO
1 800 554 4477

RHODE ISLAND
1 800 554 4477

SOUTH CAROLINA
1 800-554 4477

SOUTH DAKOTA
1 800 554-4477

TENNESSEE
Nashville, 242 1541
Elsewhere,
1-800 554 4477

TEXAS
Dallas, 767 1792
Houston, 850-8801
Elsewhere,
1 800-554 4477

UTAH
1 800 554 4477

VERMONT
1 800 554 4477

VIRGINIA
Richmond 829 6397
Elsewhere,
1 800 554 4477

WASHINGTON
Seattle 343 7221
Elsewhere,
1 800-554-4477

WEST VIRGINIA
1 800 554 4477

WISCONSIN
Milwaukee 291 1783
Elsewhere,
1 800 554 4477

WYOMING
1 800 554 4477

Tele-Tax Topic Numbers and Subjects

Topic No	Subject
	IRS Procedures and Services
101	IRS help available—Volunteer tax assistance programs, toll free telephone, walk-in assistance, and outreach program
102	Tax assistance for handicapped individuals and the deaf
103	Small business tax workshops—Tax help for new businesses
104	Problem resolution program—Special help for problem situations
105	Public libraries—Tax information tapes and reproducible tax forms
106	Examination procedures and how to prepare for an audit
107	The collection process
108	Tax fraud—How to report
109	Special enrollment examination to practice before IRS
110	Organizations—How to apply for exempt status
111	Audit appeal rights
112	Electronic filing
999	Local information
	Filing Requirements, Filing Status, Exemptions
151	Who must file?
152	Which form—1040, 1040A, or 1040EZ?
153	When, where, and how to file
154	What is your filing status?
155	Dependents
156	Estimated tax
157	Amended returns
158	Decedents
	Types of Income
201	Wages and salaries
202	Tips
203	Interest received
204	Dividends
205	Refund of state and local taxes
206	Alimony received
207	Business income
208	Sole proprietorship
209	Capital gains and losses
210	Pensions and annuities
211	Pensions—The general rule
212	Lump sum distributions—Profit sharing plans
213	Rental income and expenses
214	Renting vacation property/Renting to relatives
215	Royalties
216	Farming and fishing income
217	Earnings for clergy
218	Unemployment compensation
219	Gambling income and expenses
220	Bartering income
221	Scholarships, fellowships, and grants
222	Nontaxable income
223	Social security, tier 1, and catastrophic coverage
224	401(K) plans
225	Passive activities-Losses/Credits
	Adjustments to Income
251	Employee business expenses
252	Individual retirement arrangements (IRAs)
253	Alimony paid
254	Bad debt deduction
255	Tax shelters
	Itemized Deductions
301	Should I itemize?
302	Medical and dental expenses
303	Taxes
304	Moving expenses
305	Interest expense
306	Contributions
307	Casualty losses
308	Miscellaneous expenses
309	Business use of home
310	Business use of car
311	Business travel expenses
312	Business entertainment expenses
313	Educational expenses
	Tax Computation
351	Tax and credits figured by IRS
352	Self employment tax
353	Five year averaging for lump sum distributions
354	Alternative minimum tax
355	Gift tax
356	Estate tax
357	Standard deduction
	Tax Credits
401	Child care credit
402	Earned income credit
403	Credit for the elderly or the disabled
	General Information
451	Substitute tax forms
452	Highlights of 1988 tax changes
453	Refunds—How long they should take
454	Copy of your tax return—How to get one
455	Forms/Publications—How to order
456	Tax shelter registration
457	Extensions for time to file your tax return
458	Form W 2—What to do if not received
459	Penalty for underpayment of estimated tax
460	Recordkeeping
461	How to choose a tax preparer
462	Failure to pay child/spousal support and other Federal obligations
463	Withholding on interest and dividends
464	Highway use tax
465	Checklist/Common errors when preparing your tax return
466	Withholding on pensions and annuities
467	Foreign currency transactions
	IRS Notices and Letters
501	Notices—What to do
502	Your tax form is overdue—Let us hear from you
503	Second request for information about your tax form
504	Notice of intent to levy
505	Notice of underreported income—CP2000
506	IRS notices and bills-Penalty and interest charges
	Basis of Assets, Depreciation, Sale of Assets
551	Sale of your home—General
552	Sale of your home—How to report gain
553	Sale of your home—Exclusion of gain, age 55 and over
554	Basis of assets
555	Depreciation
556	Installment sales
	Employer Tax Information
601	Social security withholding rates
602	Form W 2—Where, when and how to file
603	Form W 4—Employee's Withholding Allowance Certificate
604	Federal tax deposits—General
605	Employer identification number—How to apply
606	Form 942—Employer's Quarterly Tax Return for Household Employees
607	Form 941—Deposit requirements
608	Form 941—Employer's Quarterly Federal Tax Return
609	Form 940—Deposit requirements
610	Form 940—Employer's Annual Federal Unemployment Tax Return
611	Targeted jobs credit
612	Tips—Withholding and reporting
	Magnetic Media Information
651	Who must file originals and corrections?
652	Acceptable media-Locating a third party to prepare your files
653	Applications, forms, and information
654	Waivers, extensions, and format deviations
655	Test files and combined Federal/State filing
	Tax Information for Aliens and U S Citizens Living Abroad
701	Resident and nonresident aliens
702	Dual status alien
703	Alien tax clearance
704	Foreign earned income exclusion General
705	Foreign earned income exclusion Who qualifies?
706	Foreign earned income exclusion—What income qualifies?
707	Foreign tax credit
	The following topics are in Spanish
751	Who must file?
752	Which form to use?
753	What is your filing status?
754	Earned income credit
755	Highlights of 1988 tax changes
756	Forms and publications—How to order
757	Alien tax clearance
758	Refunds—How long they should take
759	IRS help available—Volunteer tax assistance programs, toll free telephone, walk-in assistance, and outreach program
760	Social security, tier 1, and catastrophic coverage
	Tax Information for Puerto Rico Residents
851	Who must File a U S Income Tax Return in Puerto Rico
852	Deductions and Credits for Puerto Rico filers
853	Federal Employment Taxes in Puerto Rico
854	Tax Assistance For Residents of Puerto Rico

Call IRS With Your Tax Question

If the instructions to the tax forms and our free tax publications have not answered your question, please call us TOLL FREE. "Toll Free" is a telephone call for which you pay only local charges.

CHOOSING THE RIGHT NUMBER: Use only the number listed below for your area. Use a local city number only if it is not a long distance call for you. **Please do not dial 1-800 when using a local city number.**

BEFORE YOU CALL: Remember that good communication is a two way process. IRS representatives care about the quality of the service we provide to you, our customer. You can help us provide accurate, complete answers to your tax questions by having the following information available:

1. The tax form, schedule, or notice to which your question relates.
2. The facts about your particular situation (the answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.).
3. The name of any IRS publication or other source of information that you used to look for the answer.

BEFORE YOU HANG UP: If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. He or she will be happy to take the additional time required to be sure we have answered your question fully and in the manner which is most helpful to you.

By law, you are responsible for paying your fair share of Federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty. To make sure that IRS representatives give accurate and courteous answers, a second IRS representative sometimes listens in on telephone calls. No record is kept of any taxpayer's identity.

ALABAMA
1 800 424 1040

ALASKA
Anchorage 561 7484
Elsewhere 1 800 424 1040

ARIZONA
Phoenix 257 1233
Elsewhere 1 800 424 1040

ARKANSAS
1 800 424 1040

CALIFORNIA
Please call the telephone number shown in the white pages of your local telephone directory under U S Government, Internal Revenue Service, Federal Tax Assistance.

COLORADO
Denver 825 7041
Elsewhere 1 800 424 1040

CONNECTICUT
1 800 424 1040

DELAWARE
1 800 424 1040

DISTRICT of COLUMBIA
488 3100

FLORIDA
Jacksonville 354 1760
Elsewhere 1 800 424 1040

GEORGIA
Atlanta 522 0050
Elsewhere 1 800 424 1040

HAWAII
Oahu 541 1040
Elsewhere 1 800 424 1040

IDAHO
1 800 424 1040

ILLINOIS
Chicago 435 1040
Elsewhere 1 800 424 1040

INDIANA
Indianapolis 226 5477
Elsewhere 1 800 424 1040

IOWA
Des Moines, 283 0523
Elsewhere 1 800 424 1040

KANSAS
1 800 424 1040

KENTUCKY
1 800 424 1040

LOUISIANA
1 800 424 1040

MAINE
1 800 424 1040

MARYLAND
Baltimore 962 2590
Montgomery County 488 3100
Prince George's County 488 3100
Elsewhere 1 800 424 1040

MASSACHUSETTS
Boston 523 1040
Elsewhere 1 800 424 1040

MICHIGAN
Detroit 237 0800
Elsewhere, 1 800 424 1040

MINNESOTA
Minneapolis 291 1422
St Paul 291 1422
Elsewhere 1 800 424 1040

MISSISSIPPI
1 800 424 1040

MISSOURI
St Louis 342 1040
Elsewhere 1 800 424 1040

MONTANA
1 800 424 1040

NEBRASKA
Omaha 422 1500
Elsewhere 1 800 424 1040

NEVADA
1 800 424 1040

NEW HAMPSHIRE
1 800 424 1040

NEW JERSEY
Newark 622 0600
Elsewhere 1 800 424 1040

NEW MEXICO
1 800 424 1040

NEW YORK
Bronx 732 0100
Brooklyn 596 3770
Buffalo 855 3955
Manhattan 732 0100
Nassau 222 1131
Queens, 596 3770
Rockland County 997 1510
Staten Island 596 3770
Suffolk 724 5000
Westchester County 997 1510
Elsewhere 1 800 424 1040

NORTH CAROLINA
1 800 424 1040

NORTH DAKOTA
1 800 424 1040

OHIO
Cincinnati, 621 6281
Cleveland 522 3000
Elsewhere 1 800 424 1040

OKLAHOMA
1 800 424 1040

OREGON
Portland, 221 3960
Elsewhere 1 800 424 1040

PENNSYLVANIA
Philadelphia, 574 9900
Pittsburgh 281 0112
Elsewhere 1 800 424 1040

PUERTO RICO
San Juan Metro Area 766 5040
Isla DOD 766 5549

RHODE ISLAND
1 800 424 1040

SOUTH CAROLINA
1 800 424 1040

SOUTH DAKOTA
1 800 424 1040

TENNESSEE
Nashville, 259 4601
Elsewhere 1 800 424 1040

TEXAS
Dallas 742 2440
Ft Worth, 263 9229
Houston 965 0440
Elsewhere 1 800 424 1040

UTAH
1 800 424 1040

VERMONT
1 800 424 1040

VIRGINIA
Bailey's Crossroads 557 9230
Richmond 649 2361
Elsewhere 1 800 424 1040

WASHINGTON
Seattle 442 1040
Elsewhere 1 800 424 1040

WEST VIRGINIA
1 800 424 1040

WISCONSIN
Milwaukee, 271 3780
Elsewhere, 1 800 424 1040

WYOMING
1 800 424 1040

Telephone Assistance Services for Deaf Taxpayers Who Have Access to TV / Telephone—TTY Equipment.

Indiana residents
1 800 382 4059

Elsewhere in U S (including Alaska, Hawaii, Virgin Islands, and Puerto Rico)
1 800 428 4732

Hours of Operation

8 00 A M to 6 45 P M EST (Jan 1 April 17)

8 00 A M to 4 30 P M EST (April 18-Dec 31)

Need Additional Forms or Publications?

If you do not have any tax questions and you only need tax forms and publications, you can—

- Visit your local bank or post office for Forms 1040, 1040A, 1040EZ and Schedules A&B and their related instructions.
- Visit your local library that stocks a wider variety of forms and publications.
- Visit your local IRS office.
- Use the handy order blank on the next to the last page of the instructions. You should receive the items you order within 2 weeks of the time you mail your request.
- Call our toll free "Forms Only" number (1 800-424 FORM (3676)). The hours of operation during the filing season are 8 00 A M to 8 00 P M (Monday-Friday) and 9 00 A M to 3 00 P M (Saturdays). You should receive your order within 7 to 10 work days after you call.

Notes

How To Get Forms

Generally we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below. Also see list of related publications.

You can order the following items from IRS or get them at many participating banks, post offices, or libraries:

Form 1040, U.S. Individual Income Tax Return
Instructions for Form 1040

Form 1040A
Instructions for Form 1040A

Form 1040EZ
Instructions for Form 1040EZ

Schedule A for itemized deductions

Schedule B for interest income if more than $400, for dividends and other distributions on stock if more than $400, and for answering the Foreign Accounts or Foreign Trusts questions

You can photocopy the following items (as well as those listed above) at many participating libraries or order them from IRS

Schedule C, Profit or Loss From Business

Schedule D, Capital Gains and Losses

Schedule E, Supplemental Income Schedule

Schedule F, Farm Income and Expenses

Schedule R, Credit for the Elderly or the Disabled

Schedule SE, Social Security Self Employment Tax

Form 1040-ES, Estimated Tax for Individuals

Form 2106, Employee Business Expenses

Form 2119, Sale of Your Home

Form 2210, Underpayment of Estimated Tax by Individuals and Fiduciaries

Form 2441, Credit for Child and Dependent Care Expenses

Form 3468, Computation of Investment Credit

Form 3903, Moving Expenses

Form 4562, Depreciation and Amortization

Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

Form 8283, Noncash Charitable Contributions

Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents

Form 8582, Passive Activity Loss Limitations

Form 8606, Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions

Form 8615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000

How To Get Publications

The following publications can be ordered from IRS or you can read or photocopy them at many participating libraries:

1 Your Rights as a Taxpayer

17 Your Federal Income Tax

463 Travel, Entertainment, and Gift Expenses

501 Exemptions, Standard Deduction, and Filing Information

502 Medical and Dental Expenses

504 Tax Information for Divorced or Separated Individuals

505 Tax Withholding and Estimated Tax

508 Educational Expenses

521 Moving Expenses

523 Tax Information on Selling Your Home

524 Credit for the Elderly or the Disabled

525 Taxable and Nontaxable Income

527 Residential Rental Property

529 Miscellaneous Deductions

545 Interest Expense

553 Highlights of 1988 Tax Changes

554 Tax Information for Older Americans

910 Guide to Free Tax Services

917 Business Use of a Car

929 Tax Rules for Children and Dependents

Other publications and forms referred to in the instructions are also available without cost from the "Forms Distribution Center" for your state. See Publication 910 for a complete list of available publications.

Where To Send Your Order for Free Forms and Publications

Please send your order to the "Forms Distribution Center" for your state

Alabama—P O Box 9903 Bloomington, IL 61799

Alaska—Rancho Cordova, CA 95743 0001

Arizona—Rancho Cordova CA 95743-0001

Arkansas—P O Box 9903 Bloomington IL 61799

California—Rancho Cordova CA 95743-0001

Colorado—Rancho Cordova, CA 95743 0001

Connecticut—P O Box 25866 Richmond, VA 23289

Delaware—P O Box 25866, Richmond, VA 23289

District of Columbia—P O Box 25866 Richmond VA 23289

Florida—P O Box 25866, Richmond, VA 23289

Georgia—P O Box 25866, Richmond VA 23289

Hawaii—Rancho Cordova CA 95743 0001

Idaho—Rancho Cordova, CA 95743 0001

Illinois—P O Box 9903 Bloomington IL 61799

Indiana—P O Box 9903 Bloomington, IL 61799

Iowa—P O Box 9903 Bloomington, IL 61799

Kansas—P O Box 9903 Bloomington, IL 61799

Kentucky—P O Box 9903, Bloomington, IL 61799

Louisiana—P O Box 9903, Bloomington, IL 61799

Maine—P O Box 25866, Richmond VA 23289

Maryland—P O Box 25866, Richmond, VA 23289

Massachusetts—P O Box 25866, Richmond VA 23289

Michigan—P O Box 9903, Bloomington, IL 61799

Minnesota—P O Box 9903, Bloomington, IL 61799

Mississippi—P O Box 9903 Bloomington, IL 61799

Missouri—P O Box 9903, Bloomington IL 61799

Montana—Rancho Cordova CA 95743 0001

Nebraska—P O Box 9903 Bloomington, IL 61799

Nevada—Rancho Cordova CA 95743-0001

New Hampshire—P O Box 25866, Richmond, VA 23289

New Jersey—P O Box 25866 Richmond, VA 23289

New Mexico—Rancho Cordova, CA 95743 0001

New York—P O Box 25866, Richmond VA 23289

North Carolina—P O Box 25866, Richmond VA 23289

North Dakota—P O Box 9903, Bloomington, IL 61799

Ohio—P O Box 9903, Bloomington, IL 61799

Oklahoma—P O Box 9903 Bloomington, IL 61799

Oregon—Rancho Cordova, CA 95743 0001

Pennsylvania—P O Box 25866 Richmond VA 23289

Rhode Island—P O Box 25866, Richmond, VA 23289

South Carolina—P O Box 25866, Richmond VA 23289

South Dakota—P O Box 9903 Bloomington IL 61799

Tennessee—P O Box 9903 Bloomington IL 61799

Texas—P O Box 9903 Bloomington, IL 61799

Utah—Rancho Cordova CA 95743 0001

Vermont—P O Box 25866 Richmond VA 23289

Virginia—P O Box 25866 Richmond VA 23289

Washington—Rancho Cordova CA 95743 0001

West Virginia—P O Box 25866, Richmond VA 23289

Wisconsin—P O Box 9903, Bloomington, IL 61799

Wyoming—Rancho Cordova CA 95743 0001

Foreign Addresses—Taxpayers with mailing addresses in foreign countries should send the order blank to either "Forms Distribution Center, P O Box 25866 Richmond VA 23289 or "Forms Distribution Center, Rancho Cordova CA 95743 0001 whichever is closer Send letter requests for other forms and publications to "Forms Distribution Center P O Box 25866 Richmond VA 23289

Puerto Rico—"Forms Distribution Center, P O Box 25866 Richmond VA 23289

Virgin Islands—V I Bureau of Internal Revenue Lockharts Garden No 1A, Charlotte Amalie St Thomas VI 00802

Order Blank—We will send you 2 copies of each form and 1 copy of each set of instructions or publication you circle Please cut the order blank on the dotted line and **be sure to print or type your name and address accurately on the other side** This will be the label used to return material to you Enclose this order blank in your own envelope and address your envelope to the IRS address shown above for your state To help reduce waste please order only the forms and publications you think you will need to prepare your return Use the blank spaces to order items not listed If you need more space, attach a separate sheet of paper listing the additional forms and publications you may need Be sure to allow 2 weeks to receive your order

Detach at This Line

Order blank

Circle Desired Forms and Publications

1040	Schedule C (1040)	2106 & Instructions	4868	Pub 463	Pub 523	Pub 554	
Instructions for 1040 & Schedules	Schedule D (1040)	2119 & Instructions	8283 & Instructions	Pub 501	Pub 524	Pub 910	
1040A	Schedule E (1040)	2210 & Instructions	8332	Pub 502	Pub 525	Pub 917	
1040EZ	Schedule F (1040)	2441	8582 & Instructions	Pub 504	Pub 527	Pub 929	
1040A & 1040EZ Instructions	Schedule R (1040) & Instructions	3468 & Instructions	8606	Pub 505	Pub 529		
1040x & Instructions	Schedule SE (1040)	3903 & Instructions	8615	Pub 508	Pub 545		
Schedules A&B (1040)	1040-ES (1989)	4562 & instructions	Pub 17	Pub 521	Pub 553		

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Detach at this line

Print or type your name and address on this label. It will be used to speed your order for forms to you

Name

Number and street

City or town state and ZIP code

Save Time! Participating libraries have IRS tax forms available for copying and reference sets of Tax Information Publications Also, participating banks, post offices, and libraries stock Forms 1040, 1040A, 1040EZ, their Instructions, and Schedules A&B

U S GOVERNMENT PRINTING OFFICE 1988 203 809

Form **1040A**

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return (10) 1988

OMB No 1545-0085

Step 1
Label
Use IRS label. Otherwise please print or type

LABEL HERE

Your first name and initial (if joint return, also give spouse's name and initial) | Last name | Your social security no

Present home address (number, street, and apt. no.) (If you have a P.O. Box, see page 11 of the instructions.) | Spouse's social security no

City, town or post office, state, and ZIP code | For **Privacy Act and Paperwork Reduction Act Notice**, see page 3

Presidential Election Campaign Fund

Do you want $1 to go to this fund? ☐ Yes ☐ No
If joint return, does your spouse want $1 to go to this fund? ☐ Yes ☐ No

Note: *Checking "Yes" will not change your tax or reduce your refund*

Step 2
Check your filing status
(Check only one)

1 ☐ Single (See if you can use Form 1040EZ.)
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and spouse's full name here. _____
4 ☐ Head of household (with qualifying person). (See page 15.) If the qualifying person is your child but not your dependent, enter this child's name here. _____
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19 ____). (See page 16.)

Step 3
Figure your exemptions
(See page 16 of instructions.)

6a ☐ **Yourself** If someone (such as your parent) can claim you as a dependent on his or her tax return, do not check box 6a. But be sure to check the box on line 15b on page 2
6b ☐ **Spouse**
No. of boxes checked on 6a and 6b

c Dependents:

1 Name (first, initial, and last name)	2 Check if under age 5	3 If age 5 or older, dependent's social security number	4 Relationship	5 No. of months lived in your home in 1988

If more than 7 dependents, see page 19

No. of your children on 6c who
● lived with you
● didn't live with you due to divorce or separation (see page 19)
No. of **other** dependents listed on 6c

Attach Copy B of Form(s) W-2 here

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ▶ ☐

Add numbers entered on lines above

a Total number of exemptions claimed

Step 4
Figure your total income

7 Wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.) 7
8a **Taxable** interest income (see page 22). (If over $400, also complete and attach Schedule 1, Part II.) 8a
b **Tax-exempt** interest income (see page 23). (DO NOT include on line 8a.) 8b

Attach check or money order here

9 Dividends. (If over $400, also complete and attach Schedule 1, Part III.) 9
10 Unemployment compensation (insurance) from Form(s) 1099-G. 10
11 Add lines 7, 8a, 9, and 10. Enter the total. This is your **total income** ▶ 11

Step 5
Figure your adjusted gross income

12a Your IRA deduction from applicable worksheet. Rules for IRAs begin on page 24. 12a
b Spouse's IRA deduction from applicable worksheet. Rules for IRAs begin on page 24. 12b
c Add lines 12a and 12b. Enter the total. These are your **total adjustments.** 12c
13 Subtract line 12c from line 11. Enter the result. This is your **adjusted gross income.** (If this line is less than $18,576 and a child lived with you, see "Earned Income Credit" (line 23b) on page 34 of instructions.) ▶ 13

Step 6
Figure your standard deduction, exemption amount, and taxable income

14 Enter the amount from line 13. 14
15a Check if: ☐ You were 65 or older ☐ Blind; ☐ Spouse was 65 or older ☐ Blind } **Enter number of boxes checked** ▶ 15a
b If someone (such as your parent) can claim you as a dependent, check here ▶ 15b ☐
c If you are married filing separately and your spouse files Form 1040 and itemizes deductions, see page 28 and check here ▶ 15c ☐
16 **Standard deduction.** See pages 28–29 for the amount to enter. 16
17 Subtract line 16 from line 14. Enter the result. (If line 16 is more than line 14, enter -0-.) 17
18 Multiply $1,950 by the total number of exemptions claimed on line 6e. 18
19 Subtract line 18 from line 17. Enter the result. (If line 18 is more than line 17, enter -0-.) This is your **taxable income.** ▶ 19

If You Want IRS To Figure Your Tax, See Page 29 of the Instructions.

Step 7
Figure your tax, credits, and payments
(including advance EIC payments)

Caution: If you are under age 14 and have more than $1,000 of investment income, check here ▶ ☐
Also see page 30 to see if you have to use Form 8615 to figure your tax

20 Find the tax on the amount on line 19. Check if from: ☐ Tax Table (pages 37–42) or ☐ Form 8615 20
21 Credit for child and dependent care expenses. Complete and attach Schedule 1, Part I. 21
22 Subtract line 21 from line 20. Enter the result. (If line 21 is more than line 20, enter -0-.) This is your **total tax.** ▶ 22
23a Total Federal income tax withheld—from Box 9 of your W-2 form(s). (If any is from Form(s) 1099, check here ▶ ☐ .) 23a
b Earned income credit, from the worksheet on page 35 of the instructions. Also see page 34. 23b
24 Add lines 23a and 23b. Enter the total. These are your **total payments** ▶ 24

Step 8
Figure your refund or amount you owe

25 If line 24 is more than line 22, subtract line 22 from line 24. Enter the result. This is the **amount of your refund.** 25
26 If line 22 is more than line 24, subtract line 24 from line 22. Enter the result. This is the **amount you owe.** Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1988 Form 1040A" on it 26

Step 9
Sign your return

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature | Date | Your occupation

Spouse's signature (if joint return, both must sign) | Date | Spouse's occupation

Paid preparer's use only

Preparer's signature | Date | Preparer's social security no

Firm's name (or yours if self-employed) | Employer identification no

Address and ZIP code | Check if self-employed ☐

1988 **Schedule 1 (Form 1040A)** OMB No. 1545-0085

Names (as shown on Form 1040A) Your social security number

You MUST complete and attach Schedule 1 to Form 1040A only if you:

- Claim the credit for child and dependent care expenses (complete **Part I**)
- Have over $400 of taxable interest income (complete **Part II**)
- Have over $400 of dividend income (complete **Part III**)

Part I **Credit for child and dependent care expenses** (see page 30 of the instructions)

Complete this part to figure the amount of credit you can take on Form 1040A, line 21. Attach Schedule 1 to Form 1040A.

Note: *If you paid cash wages of $50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get* **Form 942** *for details.*

1 Enter the number of qualifying persons who were cared for in 1988. You must have shared the same home with any person you claim. (See the instructions for the definition of a qualifying person.) 1

2 Enter the amount of **qualified** expenses you incurred and actually paid in 1988 for the care of the qualifying person. (See the instructions to find out which expenses qualify.) **DO NOT** enter more than $2,400 ($4,800 if you paid for the care of two or more qualifying persons). 2

3 a You **must** enter your earned income on line 3a. (See page 32.) 3a

b If you are married, filing a joint return for 1988, you must enter your spouse's earned income on line 3b. (If spouse is a full-time student or is disabled, see the instructions for the amount to enter on this line.) 3b

c If you are married, compare the amounts on lines 3a and 3b, and enter the **smaller** of the two amounts on line 3c. 3c

4 • If you were unmarried at the end of 1988, compare the amounts on lines 2 and 3a, and enter the **smaller** of the two amounts on line 4.

• If you are married, filing a joint return for 1988, compare the amounts on lines 2 and 3c, and enter the **smaller** of the two amounts on line 4. 4

5 Enter the decimal amount from the table below that applies to the amount on Form 1040A, line 14.

If line 14 is: Over—	But not over—	Decimal amount is:	If line 14 is: Over—	But not over—	Decimal amount is:
$0	10,000	.30	$20,000	22,000	.24
10,000	12,000	.29	22,000	24,000	.23
12,000	14,000	.28	24,000	26,000	.22
14,000	16,000	.27	26,000	28,000	.21
16,000	18,000	.26	28,000		.20
18,000	20,000	.25			

5 .

6 Multiply the amount on line 4 by the decimal amount on line 5. Enter the result here and on Form 1040A, line 21. 6 =

1988 **Schedule 1 (Form 1040A)** OMB No. 1545-0085

Names (as shown on Form 1040A) (Do not complete if shown on other side.) Your social security number

Part II **Interest income** (see page 22 of the instructions)

Complete this part and attach Schedule 1 to Form 1040A if you received over $400 in taxable interest. Even if you are not required to complete this part, you must report all interest on Form 1040A.

Note: *If you received a Form 1099-INT or Form 1099-OID from a brokerage firm, enter the firm's name and the total interest shown on that form.*

1 List name of payer Amount

$

2 Add amounts on line 1. Enter the total here and on Form 1040A, line 8a. 2

Part III **Dividend income** (see page 23 of the instructions)

Complete this part and attach Schedule 1 to Form 1040A if you received over $400 in dividends. Even if you are not required to complete this part, you must report all taxable dividends on Form 1040A.

Note: *If you received a Form 1099-DIV from a brokerage firm, enter the firm's name and the total dividends shown on that form.*

1 List name of payer Amount

$

2 Add amounts on line 1. Enter the total here and on Form 1040A, line 9. 2

Department of the Treasury - Internal Revenue Service

Form **1040EZ** **Income Tax Return for Single filers with no dependents** (0) **1988**

Name & address Use the IRS mailing label. If you don't have one, please print.

Print your name above (first, initial, last)

Present home address (number, street, and apt. no.) (If you have a P.O. box, see back.)

City, town, or post office, state, and ZIP code

Please print your numbers like this: 0 1 2 3 4 5 6 7 8 9

Your social security number

Please read the instructions on the back of this form. Also, see page 13 of the booklet for a helpful checklist.

Presidential Election Campaign Fund Do you want $1 to go to this fund? *Note: Checking "Yes" will not change your tax or reduce your refund* ▶

Report your income

Attach Copy B of Form(s) W-2 here

1 Total wages, salaries, and tips. This should be shown in Box 10 of your W-2 form(s). (Attach your W-2 form(s).) 1

2 Taxable interest income of $400 or less. If the total is more than $400, you cannot use Form 1040EZ. 2

3 Add line 1 and line 2. This is your **adjusted gross income.** 3

Note: You must check Yes or No.

4 Can your parents or someone else claim you on their return?
☐ **Yes.** Do worksheet on back; enter amount from line E here.
☐ **No.** Enter 3,000 as your standard deduction. 4

5 Subtract line 4 from line 3. If line 4 is larger than line 3, enter 0. 5

6 If you checked the "Yes" box on line 4, enter **0.**
If you checked the "No" box on line 4, enter **1,950.**
This is your **personal exemption.** 6

7 Subtract line 6 from line 5. If line 6 is larger than line 5, enter 0. This is your **taxable income.** 7

Figure your tax

8 Enter your Federal income tax withheld from Box 9 of your W-2 form(s). 8

9 Use the **single** column in the tax table on pages 37–42 of the Form 1040A/1040EZ booklet to find the tax on the amount shown on **line 7** above. Enter the amount of tax. 9

Refund or amount you owe

10 If line 8 is larger than line 9, subtract line 9 from line 8. Enter the **amount of your refund.** 10

11 If line 9 is larger than line 8, subtract line 8 from line 9. Enter the **amount you owe.** Attach check or money order for the full amount, payable to "Internal Revenue Service." 11

Attach tax payment here

Sign your return

I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.

Your signature Date

For Privacy Act and Paperwork Reduction Act Notice, see page 3. Form **1040EZ** (1988)

1988 Instructions for Form 1040EZ

Use this form if:

- Your filing status is single
- You do not claim any dependents
- You had **only** wages, salaries, tips, and taxable scholarships or fellowships, and your taxable interest income was $400 or less. ***Caution:*** *If you earned tips (including allocated tips) that are not included in Box 10 of your W-2, you may not be able to use Form 1040EZ. See page 22 in the 1040A and 1040EZ instruction booklet.*
- You are under 65 and not blind.
- Your taxable income (line 7) is less than $50,000.

If you can't use this form, use Form 1040A or Form 1040. See pages 10 through 12 in the booklet.

Completing your return Please print your numbers inside the boxes. Do not type your numbers. Do not use dollar signs. You may round off cents to whole dollars. To do so, drop amounts under 50 cents and increase amounts that are 50 cents or more. For example, $129.49 becomes $129 and $129.50 becomes $130. If you round off, do so for all amounts. But if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and round off only the total.

Name & address Please use the mailing label we sent you. It can help speed your refund. After you complete your return, put the label in the name and address area. Cross out any errors. Print the right information on the label (including apartment number). If you don't have a label, print your name, address, and social security number. If your post office does not deliver mail to your home and you have a P.O. box, show your P.O. box number instead of your home address.

Presidential campaign fund Congress set up this fund to help pay for Presidential election costs. If you want $1 of your tax to go to this fund, check the "Yes" box. If you check "Yes," your tax or refund will not change.

Report your income

Line 1. If you don't get your W-2 by February 15, contact your local IRS office. You must still report your wages, salaries, and tips even if you don't get a W-2 from your employer. Students, if you received a scholarship or fellowship, see page 22 in the booklet.

Line 2. Banks, savings and loans, credit unions, etc., should send you a Form 1099-INT showing the amount of taxable interest paid to you. You must report all your taxable interest even if you don't get a Form 1099-INT. If you had tax-exempt interest, such as on municipal bonds, write "TEI" in the space to the left of line 2. After "TEI," show the amount of your tax-exempt interest. **Do not** add tax-exempt interest in the total on line 2.

Line 4. If you checked the "Yes" box because your parents or someone else can claim you as a dependent on their tax return, fill in this worksheet. If you don't know if someone can claim you as a dependent, see page 17 in the booklet.

Standard deduction worksheet for dependents who checked "Yes" on line 4

A.	Enter the amount from line 1 on front.	A. _____
B.	Minimum amount.	B. 500.00
C.	**Compare** the amounts on lines A and B above. Enter the LARGER of the two amounts here.	C. _____
D.	Maximum amount.	D. 3,000.00
E.	**Compare** the amounts on lines C and D above. Enter the SMALLER of the two amounts here and on line 4 on front.	E. _____

Figure your tax

Line 8. If you received a Form 1099-INT showing income tax withheld (backup withholding), include the amount in the total on line 8. To the left of line 8, write "Form 1099." If you had two or more employers and had total wages of over $45,000, see page 33.

If you want IRS to figure your tax, skip lines 9 through 11. Then sign and date your return. If you paid too much tax, we will send you a refund. If you didn't pay enough tax, we will send you a bill. We won't charge you interest or a late payment penalty if you pay within 30 days of the notice date or by April 17, 1989, whichever is later. If you want to figure your own tax, complete the rest of your return.

Amount you owe **Line 11.** If you owe tax, attach your check or money order for the full amount. Write your social security number, daytime phone number, and "1988 Form 1040EZ" on your payment.

Sign your return You must sign and date your return. If you pay someone to prepare your return, that person must sign it and show other information. See page 36 in the booklet.

Mailing your return Mail your return by **April 17, 1989.** Use the envelope that came with your booklet. If you don't have that envelope, see page 45 for the address.

☆ U.S. GOVERNMENT PRINTING OFFICE 1988—206-143

SCHEDULES A&B (Form 1040)
Department of the Treasury
Internal Revenue Service
*Attach to Form 1040.

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040 ▶ See Instructions for Schedules A and B (Form 1040)

OMB No 1545-0074
1988
Attachment Sequence No 07

Your social security number

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See Instructions on page 23.)	1a	Prescription medicines and drugs, insulin, doctors, dentists, nurses, hospitals, medical insurance premiums you paid, etc.	1a
	b	Other (list—include hearing aids, dentures, eyeglasses, transportation and lodging, etc.) ▶	1b
	2	Add lines 1a and 1b and enter the total here	2
	3	Multiply the amount on Form 1040, line 32, by 7.5% (.075)	3
	4	Subtract line 3 from line 2. If zero or less, enter -0-. **Total** medical and dental ▶	4
Taxes You Paid (See Instructions on page 23.)	5	State and local income taxes	5
	6	Real estate taxes	6
	7	Other taxes (list—include personal property taxes) ▶	7
	8	Add the amounts on lines 5 through 7. Enter the total here. **Total** taxes ▶	8
Interest You Paid (See Instructions on page 24.)		**Note** *New rules apply to the home mortgage interest deduction. See Instructions.*	
	9a	Deductible home mortgage interest you paid to financial institutions (report deductible points on line 10)	9a
	b	Deductible home mortgage interest you paid to individuals (show that person's name and address) ▶	9b
	10	Deductible points (See Instructions for special rules.)	10
	11	Deductible investment interest (see page 24)	11
	12a	Personal interest you paid (see page 24) 12a	
	b	Multiply the amount on line 12a by 40% (.40). Enter the result	12b
	13	Add the amounts on lines 9a through 11, and 12b. Enter the total here. **Total** interest ▶	13
Gifts to Charity (See Instructions on page 25.)	14	Contributions by cash or check. (If you gave $3,000 or more to any one organization, show to whom you gave and how much you gave.) ▶	14
	15	Other than cash or check. (You must attach Form 8283 if over $500.)	15
	16	Carryover from prior year	16
	17	Add the amounts on lines 14 through 16. Enter the total here. **Total** contributions ▶	17
Casualty and Theft Losses	18	Casualty or theft loss(es) (attach Form 4684). (See page 25 of the Instructions.) ▶	18
Moving Expenses	19	Moving expenses (attach Form 3903 or 3903F). (See page 26 of the Instructions.) ▶	19
Job Expenses and Most Other Miscellaneous Deductions (See page 26 for expenses to deduct here.)	20	Unreimbursed employee expenses—job travel, union dues, job education, etc. (You MUST attach Form 2106 in some cases. See Instructions.) ▶	20
	21	Other expenses (investment, tax preparation, safe deposit box, etc.) List type and amount ▶	21
	22	Add the amounts on lines 20 and 21. Enter the total	22
	23	Multiply the amount on Form 1040, line 32, by 2% (.02). Enter the result here	23
	24	Subtract line 23 from line 22. Enter the result (if zero or less, enter zero) ▶	24
Other Miscellaneous Deductions	25	Other (from list on page 26 of Instructions). Enter type and amount ▶	25
Total Itemized Deductions	26	Add the amounts on lines 4, 8, 13, 17, 18, 19, 24, and 25. Enter the total here. Then enter on Form 1040, line 34, the LARGER of this total or your standard deduction from page 17 of the Instructions ▶	26

For Paperwork Reduction Act Notice, see Form 1040 Instructions

Schedule A (Form 1040) 1988

Schedules A&B (Form 1040) 1988
Name(s) shown on Form 1040. If joint return, enter name and social security number shown on other side.

OMB No 1545-0074 Page 2

Your social security number

Schedule B—Interest and Dividend Income

Attachment Sequence No 08

Part I Interest Income (See Instructions on pages 10 and 26.)

If you received more than $400 in taxable interest income, you must complete Part I and Part III and list ALL interest received. You must report all interest on Form 1040, even if you are not required to complete Part I and Part III. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 27.

Interest Income		Amount
1 Interest income from seller-financed mortgages (See Instructions and list name of payer.) ▶	1	
2 Other interest income (list name of payer) ▶	2	
3 Add the amounts on lines 1 and 2. Enter the total here and on Form 1040, line 8a ▶	3	

Note If you received a Form 1099-INT or Form 1099-OID from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Part II Dividend Income (See Instructions on pages 11 and 27.)

If you received more than $400 in gross dividends and/or other distributions on stock, complete Part II and Part III. You must report all taxable dividends on Form 1040, even if you are not required to complete Part II and Part III. If you received, as a nominee, dividends that actually belong to another person, see page 27.

Dividend Income		Amount
4 Dividend income (list name of payer—include on this line capital gain distributions, nontaxable distributions, etc.) ▶	4	
5 Add the amounts on line 4. Enter the total here	5	
6 Capital gain distributions. Enter here and on line 13, Schedule D *	6	
7 Nontaxable distributions. (See Schedule D Instructions for adjustment to basis.)	7	
8 Add the amounts on lines 6 and 7. Enter the total here	8	
9 Subtract line 8 from line 5. Enter the result here and on Form 1040, line 9 ▶	9	

Note If you received a Form 1099-DIV from a brokerage firm, list the firm's name as the payer and enter the total dividends shown on that form.

*If you received capital gain distributions but do not need Schedule D to report any other gains or losses, enter your capital gain distributions on Form 1040, line 14.

Part III Foreign Accounts and Foreign Trusts (See Instructions on page 27.)

If you received more than $400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

	Yes	No
10 At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 27 of the Instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		
11 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Form 3520, 3520-A, or 926.		

For Paperwork Reduction Act Notice, see Form 1040 Instructions. ☆ U.S.G.P.O. 1988—201-109

Schedule B (Form 1040) 1988

SCHEDULE C (Form 1040)

Department of the Treasury Internal Revenue Service (0)

Profit or Loss From Business

(Sole Proprietorship)

Partnerships, Joint Ventures, Etc., Must File Form 1065.

▶ Attach to Form 1040, Form 1041, or Form 1041S. ▶ See Instructions for Schedule C (Form 1040)

OMB No 1545 0074

1988

Attachment Sequence No **09**

Name of proprietor | Social security number (SSN)

A Principal business or profession, including product or service (see Instructions) | B Principal business code (from Part IV) ▶

C Business name and address ▶ | D Employer ID number (Not SSN)

E Method(s) used to value closing inventory
(1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (attach explanation)

F Accounting method (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

	Yes	No
G Was there any change in determining quantities, costs or valuations between opening and closing inventory? (If "Yes," attach explanation.)		
H Are you deducting expenses for business use of your home? (If "Yes," see Instructions for limitations.)		
I Did you "materially participate" in the operation of this business during 1988? (If "No," see Instructions for limitations on losses.)		

J If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here ▶ ☐
If you check this box, you MUST attach **Form 8271**

Part I Income

1a Gross receipts or sales	1a	
b Less: Returns and allowances	1b	
c Subtract line 1b from line 1a. Enter the result here	1c	
2 Cost of goods sold and/or operations (from Part III, line 8)	2	
3 Subtract line 2 from line 1c and enter the **gross profit** here	3	
4 Other income (including windfall profit tax credit or refund received in 1988)	4	
5 Add lines 3 and 4. This is the **gross income** ▶	5	

Part II Deductions

6 Advertising	6	
7 Bad debts from sales or services (see Instructions)	7	
8 Bank service charges	8	
9 Car and truck expenses	9	
10 Commissions	10	
11 Depletion	11	
12 Depreciation and section 179 deduction from Form 4562 (not included in Part III)	12	
13 Dues and publications	13	
14 Employee benefit programs	14	
15 Freight (not included in Part III)	15	
16 Insurance	16	
17 Interest		
a Mortgage (paid to banks, etc.)	17a	
b Other	17b	
18 Laundry and cleaning	18	
19 Legal and professional services	19	
20 Office expense	20	
21 Pension and profit-sharing plans	21	
22 Rent on business property	22	
23 Repairs	23	
24 Supplies (not included in Part III)	24	
25 Taxes	25	
26 Travel, meals, and entertainment		
a Travel	26a	
b Meals and entertainment		
c Enter 20% of line 26b subject to limitations (see Instructions)		
d Subtract line 26c from 26b	26d	
27 Utilities and telephone	27	
28a Wages		
b Jobs credit		
c Subtract line 28b from 28a	28c	
29 Other expenses (list type and amount)	29	
30 Add amounts in columns for lines 6 through 29. These are the **total deductions** ▶	30	
31 **Net profit or (loss).** Subtract line 30 from line 5. If a profit, enter here and on Form 1040, line 12, and on Schedule SE, line 2. If a loss, you MUST go on to line 32. (Fiduciaries, see instructions.)	31	

32 If you have a loss, you MUST check the box that describes your investment in this activity (see Instructions)
32a ☐ All investment is at risk
32b ☐ Some investment is not at risk

If you checked 32a, enter the loss on Form 1040, line 12, and Schedule SE, line 2. If you checked 32b, you MUST attach **Form 6198.**

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule C (Form 1040) 1988**

Part III Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part III)

1 Inventory at beginning of year (If different from last year's closing inventory, attach explanation.)	1	
2 Purchases less cost of items withdrawn for personal use	2	
3 Cost of labor. (Do not include salary paid to yourself.)	3	
4 Materials and supplies	4	
5 Other costs	5	
6 Add lines 1 through 5	6	
7 Less: Inventory at end of year	7	
8 **Cost of goods sold and/or operations.** Subtract line 7 from line 6. Enter the result here and in Part I, line 2	8	

Part IV Codes for Principal Business or Professional Activity

Locate the major business category that best describes your activity (for example, Retail Trade, Services, etc.). Within the major category, select the activity code that identifies (or most closely identifies) the business or profession that is the principal source of your sales or receipts. **Enter this 4-digit code on line 8 on page 1 of Schedule C.** (**Note:** *If your principal source of income is from farming activities, you should file* **Schedule F** *(Form 1040), Farm Income and Expenses.*)

Construction

Code
0018 Operative builders (building for own account)

General contractors
0034 Residential building
0059 Nonresidential building
0075 Highway and street construction
3889 Other heavy construction (pipe laying, bridge construction, etc.)

Building trade contractors, including repairs
0232 Plumbing, heating, air conditioning
0257 Painting and paper hanging
0273 Electrical work
0299 Masonry, dry wall, stone, tile
0414 Carpentering and flooring
0430 Roofing, siding, and sheet metal
0455 Concrete work
0471 Water well drilling
0885 Other building trade contractors (excavation, glazing, etc.)

Manufacturing, Including Printing and Publishing

0612 Bakeries selling at retail
0638 Other food products and beverages
0653 Textile mill products
0679 Apparel and other textile products
0695 Leather, footware, handbags, etc.
0810 Furniture and fixtures
0836 Lumber and other wood products
0851 Printing and publishing
0877 Paper and allied products
0893 Chemicals and allied products
1016 Rubber and plastics products
1032 Stone, clay, and glass products
1057 Primary metal industries
1073 Fabricated metal products
1099 Machinery and machine shops
1115 Electric and electronic equipment
1313 Transportation equipment
1339 Instruments and related products
1883 Other manufacturing industries

Mining and Mineral Extraction

1511 Metal mining
1537 Coal mining
1552 Oil and gas
1719 Quarrying and nonmetallic mining

Agricultural Services, Forestry, and Fishing

1917 Soil preparation services
1933 Crop services
1958 Veterinary services, including pets
1974 Livestock breeding
1990 Other animal services
2113 Farm labor and management services
2212 Horticulture and landscaping
2238 Forestry, except logging
0836 Logging
2279 Fishing, hunting, and trapping

Wholesale Trade—Selling Goods to Other Businesses, Government, or Institutions, Etc.

Durable goods, including machinery, equipment, wood, metals, etc
2618 Selling for your own account
2634 Agent or broker for other firms—more than 50% of gross sales on commission

Nondurable goods, including food, fiber, chemicals, etc
2659 Selling for your own account
2675 Agent or broker for other firms—more than 50% of gross sales on commission

Retail Trade—Selling Goods to Individuals and Households

3012 Selling door to door, by telephone or party plan, or from mobile unit
3038 Catalog or mail order
3053 Vending machine selling

Selling From Store, Showroom, or Other Fixed Location

Food, beverages, and drugs
3079 Eating places (meals or snacks)
3095 Drinking places (alcoholic beverages)
3210 Grocery stores (general line)
0612 Bakeries selling at retail
3236 Other food stores (meat, produce, candy, etc.)
3251 Liquor stores
3277 Drug stores

Automotive and service stations
3319 New car dealers (franchised)
3335 Used car dealers
3517 Other automotive dealers (motorcycles, recreational vehicles, etc.)
3533 Tires, accessories, and parts
3558 Gasoline service stations

General merchandise, apparel, and furniture
3715 Variety stores
3731 Other general merchandise stores
3756 Shoe stores
3772 Men's and boys' clothing stores
3913 Women's ready to wear stores
3921 Women's accessory and specialty stores and furriers
3939 Family clothing stores
3954 Other apparel and accessory stores
3970 Furniture stores
3996 TV, audio, and electronics
3988 Computer and software stores
4119 Household appliance stores
4317 Other home furnishing stores (china, floor coverings, drapes, etc.)
4333 Music and record stores

Building, hardware, and garden supply
4416 Building materials dealers
4432 Paint, glass, and wallpaper stores
4457 Hardware stores
4473 Nurseries and garden supply stores

Other retail stores
4614 Used merchandise and antique stores (except used motor vehicle parts)
4630 Gift, novelty, and souvenir shops
4655 Florists
4671 Jewelry stores
4697 Sporting goods and bicycle shops
4812 Boat dealers
4838 Hobby, toy, and game shops
4853 Camera and photo supply stores
4879 Optical goods stores
4895 Luggage and leather goods stores
5017 Book stores, excluding newsstands
5033 Stationery stores
5058 Fabric and needlework stores
5074 Mobile home dealers
5090 Fuel dealers (except gasoline)
5884 Other retail stores

Real Estate, Insurance, Finance, and Related Services

5512 Real estate agents and managers
5538 Operators and lessors of buildings (except developers)
5553 Operators and lessors of other real property (except developers)
5710 Subdivders and developers, except cemeteries
5736 Insurance agents and services
5751 Security and commodity brokers, dealers, and investment services
5777 Other real estate, insurance, and financial activities

Transportation, Communications, Public Utilities, and Related Services

6114 Taxicabs
6312 Bus and limousine transportation
6338 Trucking (except trash collection)
6510 Trash collection without own dump
6536 Public warehousing
6551 Water transportation
6619 Air transportation
6635 Travel agents and tour operators
6650 Other transportation and related services
6676 Communication services
6692 Utilities, including dumps, snowplowing, road cleaning, etc.

Services (Providing Personal, Professional, and Business Services)

Hotels and other lodging places
7096 Hotels, motels, and tourist homes
7211 Rooming and boarding houses
7237 Camps and camping parks

Laundry and cleaning services
7419 Coin operated laundries and dry cleaning
7435 Other laundry, dry cleaning, and garment services
7450 Carpet and upholstery cleaning
7476 Janitorial and related services (building, house, and window cleaning)

Business and/or personal services
7617 Legal services (or lawyer)
7633 Income tax preparation
7658 Accounting and bookkeeping
7674 Engineering, surveying, and architectural
7690 Management, consulting, and public relations
7716 Advertising, except direct mail
7732 Employment agencies and personnel supply
7757 Computer and data processing, including repair and leasing
7773 Equipment rental and leasing (except computer or automotive)
7914 Investigative and protective services
7880 Other business services

Personal services
8110 Beauty shops (or beautician)
8318 Barber shop (or barber)
8334 Photographic portrait studios
8516 Shoe repair and shine services
8532 Funeral services and crematories
8714 Child day care
8730 Teaching or tutoring
8755 Counseling (except health practitioners)
8771 Ministers and chaplains
6882 Other personal services

Automotive services
8813 Automotive rental or leasing without driver
8839 Parking, except valet
8854 General automotive repairs
8870 Specialized automotive repairs (brake, body repairs, paint, etc.)
8896 Other automotive services (wash, towing, etc.)

Miscellaneous repair, except computers
9019 TV and audio equipment repair
9035 Other electrical equipment repair
9050 Reupholstery and furniture repair
2881 Other equipment repair

Medical and health services
9217 Offices and clinics of medical doctors (MDs)
9233 Offices and clinics of dentists
9258 Osteopathic physicians and surgeons
9274 Chiropractors
9290 Optometrists
9415 Registered and practical nurses
9431 Other licensed health practitioners
9456 Dental laboratories
9472 Nursing and personal care facilities
9886 Other health services

Amusement and recreational services
8557 Physical fitness facilities
9613 Videotape rental stores
9639 Motion picture theaters
9654 Other motion picture and TV film and tape activities
9670 Bowling alleys
9696 Professional sports and racing, including promoters and managers
9811 Theatrical performers, musicians, agents, producers, and related services
9837 Other amusement and recreational services

8888 Unable to classify

☆ U.S.G.P.O. 1988- 205-113

SCHEDULE D (Form 1040)

Department of the Treasury Internal Revenue Service

Capital Gains and Losses

(And Reconciliation of Forms 1099-B)

▶ Attach to Form 1040 ▶ See Instructions for Schedule D (Form 1040)

For Paperwork Reduction Act Notice, see Form 1040 Instructions

OMB No. 1545-0074

88

Attachment Sequence No. 12

Name(s) as shown on Form 1040 | Your social security number

1 Report here the total sales of stocks, bonds, etc., reported for 1988 to you on Form(s) 1099-B or on equivalent substitute statement(s). If this amount differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference. See the Instructions for line 1 for examples 1

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less (6 months or less if acquired before 1/1/88)

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) LOSS If (e) is more than (d) subtract (d) from (e)	(g) GAIN If (d) is more than (e) subtract (e) from (d)
2a Stocks, Bonds, and Other Securities (Include all Form 1099-B transactions. See Instructions.)						
2b Total (add column (d)) 2b▶						
2c Other Transactions (Include Real Estate Transactions From Forms 1099-S)						

3	Short term gain from sale or exchange of your home from Form 2119, line 8a or 14	3	
4	Short term gain from installment sales from Form 6252, line 22 or 30	4	
5	Net short term gain or (loss) from partnerships, S corporations, and fiduciaries	5	
6	Short term capital loss carryover	6	
7	Add all of the transactions on lines 2a and 2c and lines 3 through 6 in columns (f) and (g)	7	( )
8	Net short term gain or (loss): combine columns (f) and (g) of line 7		8

Part II Long Term Capital Gains and Losses—Assets Held More Than One Year (more than 6 months if acquired before 1/1/88)

9a Stocks, Bonds, and Other Securities (Include all Form 1099-B transactions. See Instructions.)						
9b Total (add column (d)) 9b▶						
9c Other Transactions (Include Real Estate Transactions From Forms 1099-S)						

10	Long term gain from sale or exchange of your home from Form 2119, line 8a, 10, or 14	10	
11	Long term gain from installment sales from Form 6252, line 22 or 30	11	
12	Net long term gain or (loss) from partnerships, S corporations, and fiduciaries	12	
13	Capital gain distributions	13	
14	Enter gain from Form 4797, line 7 or 9	14	
15	Long term capital loss carryover	15	
16	Add all of the transactions on lines 9a and 9c and lines 10 through 15 in columns (f) and (g)	16	( )
17	Net long term gain or (loss): combine columns (f) and (g) of line 16		17

Your social security number

Part III Summary of Parts I and II

18	Combine lines 8 and 17, and enter the net gain or (loss) here. If result is a gain, also enter the gain on Form 1040, line 13.	18
19	If line 18 is a (loss), enter here and as a (loss) on Form 1040, line 13, the **smaller** of	
a	The (loss) on line 18, **or**	
b	($3,000) or, if married filing a separate return, ($1,500)	19 ( )

Note: When figuring which amount is **smaller**, treat them as if they were positive numbers.

Part IV Computation of Capital Loss Carryovers From 1988 to 1989

(Complete this part if the loss on line 18 is more than the loss on line 19.)

20	Enter the loss shown on line 8. If none, enter zero and skip lines 21 through 24.	20
21	Enter gain shown on line 17. If that line is blank or shows a loss, enter zero.	21
22	Subtract line 21 from line 20.	22
23	Enter the **smaller** of line 19 or 22.	23
24	Subtract line 23 from line 22. This is your **short-term capital loss carryover from 1988 to 1989.**	24
25	Enter loss from line 17, if none, enter zero and skip lines 26 through 29.	25
26	Enter gain shown on line 8. If that line is blank or shows a loss, enter zero.	26
27	Subtract line 26 from line 25.	27
28	Subtract line 23 from line 19. (**Note:** *If you skipped lines 21 through 24, enter the amount from line 19.*)	28
29	Subtract line 28 from line 27. This is your **long-term capital loss carryover from 1988 to 1989.**	29

Part V Complete This Part Only If You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

30 Check here if you elect out of the installment method ▶ ☐

31 Enter the face amount of the note or other obligation ▶

32 Enter the percentage of valuation of the note or other obligation ▶

Part VI Reconciliation of Forms 1099-B for Bartering Transactions

(Complete this part if you received one or more Form(s) 1099-B or an equivalent substitute statement(s) reporting bartering income.)

		Amount of bartering income from Form 1099-B or equivalent statement reported on form or schedule
33	Form 1040, line 22	33
34	Schedule C (Form 1040)	34
35	Schedule D (Form 1040)	35
36	Schedule E (Form 1040)	36
37	Schedule F (Form 1040)	37
38	Other (identify) (if not taxable, indicate reason; attach additional sheets if necessary) ▶	38
39	Total (add lines 33 through 38)	39

Note: *The amount on line 39 should be the same as the total bartering income on all Forms 1099-B and equivalent statements received.*

SCHEDULE E (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Supplemental Income Schedule

(From rents, royalties, partnerships, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, Form 1041, or Form 1041S.

▶ See Instructions for Schedule E (Form 1040).

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Attachment Sequence No **13**

Name(s) as shown on return

Your social security number

Part I **Rental and Royalty Income or Loss** **Caution:** *Your rental loss may be limited See Instructions*

1 In the space provided below, show the kind and location of each rental property

2 For each rental property listed, did you or a member of your family use it for personal purposes for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?

3 For each rental real estate property listed in item 1, did you actively participate in its operation during the tax year? (See Instructions.)

	Yes	No		Yes	No
Property A ▶			Property A ▶		
Property B ▶			Property B ▶		
Property C ▶			Property C ▶		

Rental and Royalty Income		Properties A	Properties B	Properties C		Totals (Add columns A, B, and C)
4 Rents received					4	
5 Royalties received					5	
Rental and Royalty Expenses						
6 Advertising	6					
7 Auto and travel	7					
8 Cleaning and maintenance	8					
9 Commissions	9					
10 Insurance	10					
11 Legal and other professional fees	11					
12 Mortgage interest paid to banks, etc (see Instructions)	12				12	
13 Other interest	13					
14 Repairs	14					
15 Supplies	15					
16 Taxes (Do not include windfall profit tax here See Part V, line 40)	16					
17 Utilities	17					
18 Wages and salaries	18					
19 Other (list) ▶	19					
20 Total expenses other than depreciation and depletion Add lines 6 through 19	20				20	
21 Depreciation expense (see Instructions), or depletion (see Pub 535)	21				21	
22 Total Add lines 20 and 21	22					
23 Income or (loss) from rental or royalty properties Subtract line 22 from line 4 (rents) or 5 (royalties)	23					
24 Deductible rental loss **Caution:** *Your rental loss on line 23 may be limited See Instructions to determine if you must file* ***Form 8582****, Passive Activity Loss Limitations*	24					
25 **Profits.** Add rental and royalty profits from line 23 Enter the total profits here					25	
26 **Losses.** Add royalty losses from line 23 and rental losses from line 24 Enter the total (losses) here					26	( )
27 Combine amounts on lines 25 and 26 Enter the net profit or (loss) here					27	
28 Net farm rental profit or loss from Form 4835 (Also complete Part VI, line 43)					28	
29 Total rental or royalty income or (loss) Combine amounts on lines 27 and 28 Enter the total here If Parts II, III, IV, and V on page 2 do not apply to you, enter the amount from line 29 on Form 1040, line 18 Otherwise, include the amount from line 29 in line 42 on page 2 of Schedule E					29	

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule E (Form 1040) 1988

Schedule E (Form 1040) 1988 Attachment Sequence No **13** Page **2**

Name(s) as shown on return (Do not enter name and social security number if shown on other side.) Your social security number

Part II **Income or Loss From Partnerships and S Corporations**

If you report a loss from an at risk activity you MUST check either column (e) or (f) to describe your investment in the activity See Instructions If you check column (f), you must attach **Form 6198**

	(a) Name	(b) Enter P for partnership S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	Investment At Risk? (e) All at risk	(f) Some or not at risk
A						
B						
C						
D						
E						

	Passive Income and Loss (g) Passive loss allowed from Form 8582	(h) Passive income from Schedule K-1	Nonpassive Income and Loss (i) Nonpassive loss from Schedule K-1	(j) Section 179 deduction (see Instructions for limits)	(k) Nonpassive income from Schedule K-1
A					
B					
C					
D					
E					
30a Totals					
b Totals					

31 Add amounts in columns (h) and (k), line 30a Enter total income here	31	
32 Add amounts in columns (g), (i), and (j), line 30b Enter total here	32	( )
33 Total partnership and S corporation income or (loss) Combine amounts on lines 31 and 32 Enter the total here and include in line 42 below	33	

Part III **Income or Loss From Estates and Trusts**

	(a) Name	(b) Employer identification number
A		
B		
C		

	Passive Income and Loss (c) Passive deduction or loss allowed from Form 8582	(d) Passive income from Schedule K-1	Nonpassive Income and Loss (e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A				
B				
C				
34a Totals				
b Totals				

35 Add amounts in columns (d) and (f), line 34a Enter total income here	35	
36 Add amounts in columns (c) and (e), line 34b Enter total here	36	( )
37 Total estate and trust income or (loss) Combine amounts on lines 35 and 36 Enter the total here and include in line 42 below	37	

Part IV **Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder**

(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q line 2c (see Instructions)	(d) Taxable income (net loss) from Schedules Q line 1b	(e) Income from Schedules Q line 3b

38 Combine amounts in columns (d) and (e) only Enter the total here and include in line 42 below	38	

Part V **Windfall Profit Tax Summary**

39 Windfall profit tax credit or refund received in 1988 (see Instructions)	39	
40 Windfall profit tax withheld in 1988 (see Instructions)	40	( )
41 Combine amounts on lines 39 and 40 Enter the total here and include in line 42 below	41	

Part VI **Summary**

42 TOTAL income or (loss) Combine amounts on lines 29, 33, 37, 38, and 41 Enter the total here and on Form 1040, line 18 ▶	42	
43 Farmers and fishermen Enter your share of GROSS FARMING AND FISHING INCOME applicable to Parts I, II, and III (see Instructions) 43		

SCHEDULE F (Form 1040)

Department of the Treasury Internal Revenue Service (0)

Farm Income and Expenses

▶ Attach to Form 1040, Form 1041, Form 1041S, or Form 1065

▶ See Instructions for Schedule F (Form 1040).

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Attachment Sequence No **14**

Name of proprietor | Social security number (SSN)

A Principal Product (Describe in one or two words your principal crop or activity for the current tax year) | B Agricultural Activity Code (from Part IV) ▶

C Accounting Method ☐ Cash ☐ Accrual | D Employer ID number (Not SSN)

E Did you make an election in a prior year to include Commodity Credit Corporation loan proceeds as income in that year? ☐ Yes ☐ No

F Did you "materially participate" in the operation of this business during 1988? (If "No," see Instructions for limitations on losses) ☐ Yes ☐ No

G Do you elect or did you previously elect, to currently deduct certain preproductive period expenses? (See Instructions) ☐ Does not apply ☐ Yes ☐ No

Part I **Farm Income—Cash Method—Complete Parts I and II** (Accrual method taxpayers complete Parts II and III, and line 12 of Part I)

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale	1		
2	Cost or other basis of livestock and other items you bought for resale	2		
3	Subtract line 2 from line 1		3	
4	Sales of livestock, produce, grains, and other products you raised		4	
5a	Total distributions received from cooperatives (from Form 1099 PATR)	5a		
b	**Less:** Nonincome items	5b		
6	Net distributions Subtract line 5b from line 5a		6	
7a	Total agricultural program payments	7a	7b Taxable amount	7b
8a	Commodity Credit Corporation (CCC) loans reported under election (see Instructions)		8a	
b	CCC loans forfeited or repaid with certificates	8b	8c Taxable amount	8c
9a	Crop insurance proceeds received in 1988	9a	9b Taxable amount	9b
c	If election to defer to 1989 is attached check here ▶ ☐		9d Amount deferred from 1987	9d
10	Custom hire (machine work) income		10	
11	Other income, including Federal and state gasoline or fuel tax credit or refund (see Instructions)		11	
12	**Gross income** Add amounts in the right column for lines 3 through 11 If accrual method taxpayer, enter the amount from Part III, line 55 ▶		12	

Part II **Farm Deductions—Cash and Accrual Method** (Do not include personal or living expenses such as taxes, insurance, repairs, etc , on your home)

13	Breeding fees	13	25a	Labor hired	
14	Chemicals	14	b	Jobs credit	
15	Conservation expenses (you must attach **Form 8645**)	15	c	Net labor hired (line 25a minus b)	25c
16	Custom hire (machine work)	16	26	Pension and profit-sharing plans	26
17	Depreciation and section 179 expense deduction (from Form 4562)	17	27	Rent of farm pasture	27
			28	Repairs, maintenance	28
			29	Seeds, plants purchased	29
			30	Storage warehousing	30
18	Employee benefit programs other than on line 26	18	31	Supplies purchased	31
19	Feed purchased	19	32	Taxes	32
20	Fertilizers and lime	20	33	Utilities	33
21	Freight, trucking	21	34	Veterinary fees, medicine	34
22	Gasoline, fuel, oil	22	35	Other expenses (specify)	
23	Insurance	23	a		35a
24	Interest		b		35b
a	Mortgage (paid to banks, etc)	24a	c		35c
b	Other	24b	d		35d
			e		35e

36	Add amounts on lines 13 through 35e	36
37	Preproductive period expenses that are capitalized (see Instructions)	37
38	Subtract line 37 from line 36 These are your **total deductions** ▶	38
39	**Net farm profit or (loss).** Subtract line 38 from line 12 If a profit, enter on Form 1040, line 19, and on Schedule SE, line 1 If a loss, you MUST go on to line 40 (Fiduciaries and partnerships, see Instructions)	39

40 If you have a loss, you MUST check the box that describes your investment in this activity (see Instructions) 40a ☐ All investment is at risk 40b ☐ Some investment is not at risk

If you checked 40a, enter the loss on Form 1040, line 19, and Schedule SE, line 1 If you checked 40b, you MUST attach **Form 6198.**

For Paperwork Reduction Act Notice, see Form 1040 Instructions **Schedule F (Form 1040) 1988**

Part III **Farm Income—Accrual Method**

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include this livestock on line 50 below

41	Sales of livestock produce, grains, and other products during year		41	
42a	Total distributions received from cooperatives (from Form 1099 PATR)	42a		
b	**Less:** Nonincome items	42b		
43	Net distributions Subtract line 42b from line 42a		43	
44a	Total agricultural program payments	44a	44b Taxable amount	44b
45a	Commodity Credit Corporation (CCC) loans reported under election (see Instructions)		45a	
b	CCC loans forfeited or repaid with certificates	45b	45c Taxable amount	45c
46	Crop insurance proceeds		46	
47	Custom hire (machine work) income		47	
48	Other income, including Federal and state gasoline or fuel tax credit or refund (see Instructions)		48	
49	**Total.** Add amounts in the right column for lines 41 through 48		49	
50	Inventory of livestock, produce, grains, and other products at beginning of year	50		
51	Cost of livestock produce, grains, and other products purchased during year	51		
52	Add lines 50 and 51	52		
53	Inventory of livestock produce grains, and other products at end of year	53		
54	Cost of livestock produce grains and other products sold Subtract line 53 from line 52*		54	
55	**Gross income** Subtract line 54 from line 49 Enter the result here and on Part I, line 12 ▶		55	

*If you use the unit livestock price method or the farm price method of valuing inventory and the amount on line 53 is larger than the amount on line 52 subtract line 52 from line 53 Enter the result on line 54 Add lines 49 and 54 Enter the total on line 55

Part IV **Principal Agricultural Activity Codes**

Select one of the following codes and write the 3 digit number on line B on page 1 of this schedule (**Note.** *If your principal source of income is from providing agricultural services such as soil preparation veterinary, farm labor horticultural, or management for a fee or on a contract basis, you should file* **Schedule C** *(Form 1040) Profit or Loss From Business*)

120 **Field crop,** including grains and nongrains such as cotton, peanuts, feed corn, wheat tobacco Irish potatoes, etc

160 **Vegetables and melons,** garden-type vegetables and melons, such as sweet corn, tomatoes, squash, etc

170 **Fruit and tree nuts,** including grapes, berries, olives, etc

180 **Ornamental floriculture and nursery products**

185 **Food crops grown under cover,** including hydroponic crops

211 **Beefcattle feedlots**

212 **Beefcattle,** except feedlots

215 **Hogs, sheep, and goats**

240 **Dairy**

250 **Poultry and eggs,** including chickens, ducks, pigeons, quail, etc

260 **General livestock,** not specializing in any one livestock category

270 **Animal specialty,** including fur bearing animals, pets, horses, etc

280 **Animal aquaculture,** including fish, shellfish, mollusks, frogs, etc , produced within confined space

290 **Forest products,** including forest nurseries and seed gathering, extraction of pine gum, and gathering of forest products

300 **Agricultural production,** not specified

☆ U.S.G.P.O. 1988 - 205-125

Schedule R (Form 1040)

Department of the Treasury Internal Revenue Service (O)

Credit for the Elderly or the Disabled

▶ For Paperwork Reduction Act Notice, see Form 1040 Instructions

▶ Attach to Form 1040. ▶ See separate Instructions for Schedule R

DMB No 1545 0074

1988

Attachment Sequence No. 17

Name(s) as shown on Form 1040 | Your social security number

You may be able to use Schedule R to reduce your tax if by the end of 1988

- You were 65 or older, **OR**
- You were under 65, you retired on **permanent and total** disability, and you received taxable disability income

Even if one of the situations described above applies to you, you must meet other tests to be able to take the credit on Schedule R See the separate Schedule R instructions for details

Note: *In most cases IRS can figure this credit for you See page 16 of the Form 1040 Instructions*

Part I **Check the Box That Applies to Your Filing Status and Age** (Check only one box)

If your filing status is:	And by the end of 1988:	Check box
Single*	1 You were 65 or older	1 ☐
	2 You were under 65 and you retired on permanent and total disability	2 ☐
* Includes Head of household and Qualifying widow(er) with dependent child		
Married filing a joint return	3 Both spouses were 65 or older	3 ☐
	4 Both spouses were under 65, but only one spouse retired on permanent and total disability	4 ☐
	5 Both spouses were under 65, and both retired on permanent and total disability	5 ☐
	6 One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability	6 ☐
	7 One spouse was 65 or older, and the other spouse was under 65 and **NOT** retired on permanent and total disability	7 ☐
Married filing a separate return	8 You were 65 or older, and you did not live with your spouse at any time in 1988	8 ☐
	9 You were under 65, you retired on permanent and total disability, and you did not live with your spouse at any time in 1988	9 ☐

Note: *If you checked the box on line 1, 3, 7, or 8, skip Part II and complete Part III If you checked the box on line 2, 4, 5, 6, or 9, complete Parts II and III*

Part II **Statement of Permanent and Total Disability** (Complete **only** if you checked the box on line 2, 4, 5, 6, or 9 above)

IF: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed a statement for tax years after 1983 and your physician checked Box B on the statement, **AND**

2 Due to your continued disabled condition you were unable to engage in any substantial gainful activity in 1988, check this box ▶ ☐

If you checked this box, you do not have to file another statement for 1988 If you did not check this box have your physician complete the following statement

Physician's Statement

I certify that _____
Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977, **OR** was permanently and totally disabled on the date he or she retired Date retired if retired after December 31, 1976 ▶ _____

Physician Sign your name on **either** line A or B below and check the box to the right of your signature

A The disability has lasted, or can be expected to last, continuously for at least a year _____ Physician's signature _____ Date **A** ☐

B There is no reasonable probability that the disabled condition will ever improve _____ Physician's signature _____ Date **B** ☐

Physician's name | Physician's address

Instructions for Statement

Taxpayer

Enter in the space provided the date you retired if you retired after December 31, 1976

Physician

A person is permanently and totally disabled when—

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition, and
- A physician determines that the disability
  1. has lasted, or can be expected to last, continuously for at least a year, or
  2. can be expected to lead to death

(Continued on back)

Part III **Figure the Amount of Your Credit**

10 Enter $5,000 if you checked the box on line 1, 2, 4, or 7 in Part I, **OR**
$7,500 if you checked the box on line 3, 5, or 6 in Part I, **OR**
$3,750 if you checked the box on line 8 or 9 in Part I — **10**

Caution: *If you checked the box on line 2, 4, 5, 6, or 9 in Part I, you **MUST** complete line 11 below Otherwise skip line 11 and enter the amount from line 10 on line 12*

11 Enter on this line your taxable disability income (and also your spouse's if you checked the box on line 5 in Part I) that you reported on Form 1040 However, if you checked the box on line 6 in Part I, enter on this line the taxable disability income of the spouse who was under age 65 **PLUS** $5,000 (For more details on what to include see the Instructions) — **11**

12 If you completed line 11 above, compare the amounts on lines 10 and 11, and enter the **smaller** of the two amounts on this line Otherwise enter the amount from line 10 on this line — **12**

13 Enter the following pensions annuities or disability income that you (and your spouse if you file a joint return) received in 1988 (see Instructions)

a Nontaxable part of social security benefits and
Nontaxable part of railroad retirement benefits treated as social security — **13a**

b Nontaxable veterans' pensions, and
Any other pension, annuity or disability benefit that is excluded from income under any other provision of law — **13b**

c Add lines 13a and 13b (Even though these income items are not subject to income tax, they **must** be included to figure your credit) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter 0 on line 13c — **13c**

14 Enter the amount from Form 1040, line 32 — **14**

15 Enter $7,500 if you checked the box on line 1 or 2 in Part I, **OR**
$10,000 if you checked the box on line 3 4, 5 6 or 7 in Part I **OR**
$5,000 if you checked the box on line 8 or 9 in Part I — **15**

16 Subtract line 15 from line 14 Enter the result If line 15 is more than line 14 enter 0 — **16**

17 Divide the amount on line 16 by 2 Enter the result — **17**

18 Add lines 13c and 17 Enter the total — **18**

19 Subtract line 18 from line 12 Enter the result If the result is zero or less stop here, you **cannot** take the credit Otherwise go on to line 21 — **19**

20 Percentage used to figure the credit — **20** × 15

21 Multiply the amount on line 19 by the percentage (15) on line 20 and enter the result If you do not file Schedule C, D, E, or F (Form 1040), enter the amount from line 21 on Form 1040, line 42 Otherwise, see the instructions to determine if your credit may be further limited — **21**

☆ U S G P O 1988- 205-129

SCHEDULE SE
(Form 1040)
Department of the Treasury
Internal Revenue Service

Social Security Self-Employment Tax

▶ See Instructions for Schedule SE (Form 1040)
▶ Attach to Form 1040

OMB No. 1545-0074
1988
Attachment Sequence No. 18

Name of person with **self employment** income (as shown on social security card) | Social security number of person with **self employment** income ▶

Who Must File Schedule SE

You must file Schedule SE if

- Your net earnings from self employment were $400 or more (or you had wages of $100 or more from an electing church or church organization), AND
- You did not have wages (subject to social security or railroad retirement tax) of $45,000 or more

For more information about Schedule SE, see the Instructions.

Note: *Most taxpayers can now use the new short Schedule SE on this page. But you may have to use the longer Schedule SE that is on the back.*

Who MUST Use the Long Schedule SE (Section B)

You must use Section B if ANY of the following applies

- You choose the "optional method" to figure your self employment tax. See Section B, Part II.
- You are a minister, member of a religious order, or Christian Science practitioner and received IRS approval (from **Form 4361**) not to be taxed on your earnings from these sources, but you owe self employment tax on other earnings.
- You are an employee of a church or church organization that chose by law not to pay employer social security taxes.
- You have tip income that is subject to social security tax, but you did not report those tips to your employer. OR
- You are a government employee with wages subject ONLY to the 1.45% medicare part of the social security tax.

Section A—Short Schedule SE

(Read above to see if you must use the long Schedule SE on the back (Section B).)

1	Net farm profit or (loss) from Schedule F (Form 1040), line 39, and farm partnerships, Schedule K-1 (Form 1065), line 14a	1
2	Net profit or (loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a (other than farming). See the Instructions for other income to report.	2
3	Add lines 1 and 2. Enter the total. If the total is less than $400, **do not** file this schedule.	3
4	The largest amount of combined wages and self employment earnings subject to social security or railroad retirement tax (tier 1) for 1988 is	4 $45,000 00
5	Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1).	5
6	Subtract line 5 from line 4. Enter the result. (If the result is zero or less, **do not** file this schedule.)	6
7	Enter the **smaller** of line 3 or line 6. If line 7 is $45,000, enter $5,859 on line 8. Otherwise, multiply line 7 by .1302 and enter the result on line 8.	7 × .1302
8	Self employment tax. Enter this amount on Form 1040, line 48.	8

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule SE (Form 1040) 1988**

Name of person with **self employment** income (as shown on social security card) | Social security number of person with **self employment** income ▶

Section B—Long Schedule SE

(Before completing, see if you can use the short Schedule SE on the other side (Section A).)

A If your only self employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner AND you filed **Form 4361**, then DO NOT file Schedule SE. Instead, write "Exempt Form 4361" on Form 1040, line 48. However, if you lost Form 4361, but have $400 or more of other earnings subject to self employment tax, continue with Part I and check here ▶ ☐

B If your only earnings subject to self employment tax are wages from an electing church or church controlled organization that is exempt from employer social security taxes and you are not a minister or a member of a religious order, skip lines 1–3b. Enter zero on line 3c and go on to line 5a.

Part I Figure Social Security Self-Employment Tax

1	Net farm profit or (loss) from Schedule F (Form 1040), line 39, and farm partnerships, Schedule K-1 (Form 1065), line 14a	1
2	Net profit or (loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a (other than farming). (See Instructions for other income to report.) Employees of an electing church or church controlled organization **do not** enter your Form W-2 wages on line 2. See the Instructions.	2
3a	Enter the amount from line 1 (**or**, if you elected the farm optional method, Part II, line 10)	3a
b	Enter the amount from line 2 (**or**, if you elected the nonfarm optional method, Part II, line 12)	3b
c	Add lines 3a and 3b. Enter the total. If the total is less than $400, **do not** file this schedule. (**Exception:** *If you are an employee of an electing church or church controlled organization and the total of lines 3a and 3b is less than $400, enter zero and complete the rest of this schedule.*)	3c
4	The largest amount of combined wages and self employment earnings subject to social security or railroad retirement tax (tier 1) for 1988 is	4 $45,000 00
5a	Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1). **Note:** *Government employees whose wages are subject only to the 1.45% medicare tax and employees of certain church or church controlled organizations should* **not** *include those wages on this line. See Instructions.*	5a
b	Unreported tips subject to social security tax from Form 4137, line 9, or to railroad retirement tax (tier 1)	5b
c	Add lines 5a and 5b. Enter the total.	5c
6a	Subtract line 5c from line 4. Enter the result. (If the result is zero or less, enter zero.)	6a
b	Enter your medicare qualified government wages (if you are required to use the worksheet in the instructions) 6b	
c	Enter your Form W-2 wages of $100 or more from an electing church or church controlled organization 6c	
d	Add lines 3c and 6c. Enter the total.	6d
7	Enter the **smaller** of line 6a or line 6d. If line 7 is $45,000, enter $5,859 on line 8. Otherwise, multiply line 7 by .1302 and enter the result on line 8.	7 × .1302
8	Self employment tax. Enter this amount on Form 1040, line 48.	8

Part II Optional Method To Figure Net Earnings (See "Who Can File Schedule SE" in the Instructions.)

See Instructions for limitations. Generally, you may use this part **only** if

A Your **gross** farm income[1] was not more than $2,400, **or**

B Your **gross** farm income[1] was more than $2,400 and your **net** farm profits[2] were **less** than $1,600, **or**

C Your **net** nonfarm profits[3] were less than $1,600 and also **less** than two thirds (⅔) of your **gross** nonfarm income[4]

Note: *If line 2 above is two thirds (⅔) or more of your gross nonfarm income[4], or if line 2 is $1,600 or more, you may* **not** *use the optional method.*

[1] From Schedule F (Form 1040), line 12, and Schedule K-1 (Form 1065), line 14b
[2] From Schedule F (Form 1040), line 39, and Schedule K-1 (Form 1065), line 14a
[3] From Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a
[4] From Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 14c

9	Maximum income for optional methods	9 $1,600 00
10	**Farm Optional Method**—If you meet test A or B above, enter the **smaller** of: two thirds (⅔) of gross farm income from Schedule F (Form 1040), line 12, and farm partnerships, Schedule K-1 (Form 1065), line 14b; **or** $1,600. Also enter this amount on line 3a above.	10
11	Subtract line 10 from line 9. Enter the result.	11
12	**Nonfarm Optional Method**—If you meet test C above, enter the **smallest** of: two thirds (⅔) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 14c (other than farming); **or** $1,600; **or**, if you elected the farm optional method, the amount on line 11. Also enter this amount on line 3b above.	12

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule SE (Form 1040) 1988**

Form **2441**

Department of the Treasury
Internal Revenue Service (O)

Credit for Child and Dependent Care Expenses

▶ Attach to Form 1040.
▶ See instructions below.

OMB No 1545-0068

1988

Attachment Sequence No **23**

Name(s) as shown on Form 1040 | Your social security number

Note: *If you paid cash wages of $50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get* **Form 942** *for details.*

1 Enter number of qualifying persons who were cared for in 1988. (See instructions for definition of qualifying persons.) ▶ 1
Caution: *To qualify, the person(s)* ***must*** *have shared the same home with you in 1988.*

2 Enter the amount of **qualified** expenses you incurred and actually paid in 1988 for the care of the qualifying person. (See **What Are Qualified Expenses?** in the instructions.) **Do not** enter more than $2,400 ($4,800 if you paid for the care of two or more qualifying persons) — 2

3a You **must** enter your earned income on line 3a. See line 3 instructions for definition of earned income — 3a

b If you are married, filing a joint return for 1988, you must enter your spouse's earned income on line 3b. (If spouse is a full-time student or is disabled, see the line 3 instructions for amount to enter.) — 3b

c If you are married filing a joint return, compare the amounts on lines 3a and 3b, and enter the **smaller** of the two amounts on line 3c — 3c

4 • If you were unmarried at the end of 1988, compare the amounts on lines 2 and 3a, and enter the **smaller** of the two amounts on line 4.
• If you are married filing a joint return, compare the amounts on lines 2 and 3c, and enter the **smaller** of the two amounts on line 4. — 4

5 Enter decimal amount from table below that applies to the adjusted gross income on Form 1040, line 31 — 5 × .

If line 31 is: Over—	But not over—	Decimal amount is:	If line 31 is: Over—	But not over—	Decimal amount is:
$0	10,000	30	$20,000	22,000	24
10,000	12,000	29	22,000	24,000	23
12,000	14,000	28	24,000	26,000	22
14,000	16,000	27	26,000	28,000	21
16,000	18,000	26	28,000		20
18,000	20,000	25			

6 Multiply the amount on line 4 by the decimal amount on line 5, and enter the result — 6

7 Multiply any child and dependent care expenses for 1987 that you paid in 1988 by the percentage that applies to the adjusted gross income on your 1987 Form 1040, line 31, or Form 1040A, line 13. Enter the result. (See line 7 instructions for the required statement.) — 7

8 Add amounts on lines 6 and 7. See the worksheet in the instructions for line 8 for the amount of credit you can claim — 8

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	20 minutes
Learning about the law or the form	11 minutes
Preparing the form	16 minutes
Copying, assembling, and sending the form to IRS	17 minutes

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to either IRS or the Office of Management and Budget at the addresses listed in the instructions of Form 1040.

What Is the Child and Dependent Care Expenses Credit?

You may be able to take this credit if you paid someone to care for your child or other qualifying person so you could work or look for work in 1988. The credit may be as much as $720 ($1,440 if two or more qualifying persons were cared for).

Additional Information.—For more details, please get **Pub. 503**, Child and Dependent Care Credit.

Who Is a Qualifying Person?

A qualifying person is:

• Any person under age 15 whom you claim as a dependent (but see **Children of divorced or separated parents**).
• Your disabled spouse who is mentally or physically unable to care for himself or herself.
• Any disabled person who is mentally or physically unable to care for himself or herself and whom you claim as a dependent, or could claim as a dependent except that he or she had income of $1,950 or more.

Children of divorced or separated parents.—If you were divorced, legally separated, or lived apart from your spouse during the last 6 months of 1988, you may be able to claim the credit even if your child is not your dependent. If your child is not your dependent, he or she is a qualifying person if **all five** of the following apply:

1. You had custody of the child for the longer period during the year, and
2. The child received over half of his or her support from one or both of the parents, and
3. The child was in the custody of one or both of the parents over half of the year, and
4. The child was under age 15, or was physically or mentally unable to care for himself or herself, and
5. The child is not your dependent because—
   a. As the custodial parent, you have signed **Form 8332**, or a similar statement, agreeing not to claim the child's exemption for 1988, or
   b. You were divorced or separated before 1985 and your divorce decree or written agreement states that the other parent can claim the child's exemption, and the other parent provides at least $600 in child support during the year. **Note:** *This rule does not apply if your decree or agreement was changed after 1984 to specify that the other parent cannot claim the child's exemption.*

Who May Take the Credit?

To claim the credit, **all five** of the following must apply:

(Continued on back)

Form **3800**

Department of the Treasury
Internal Revenue Service

General Business Credit

▶ Attach to your tax return.

OMB No 1545-0895

1988

Attachment Sequence No **24**

Name(s) as shown on return | Identifying number

Part I **Tentative Credit**

1	Investment credit (Form 3468, line 8)	1
2	Jobs credit (Form 5884, line 6)	2
3	Credit for alcohol used as fuel (Form 6478, line 11)	3
4	Credit for increasing research activities (Form 6765, line 25)	4
5	Low income housing credit (Form 8586, line 6)	5
6	**Current year general business credit**—Add lines 1 through 5	6
7	Carryforward of general business credit (investment (see instructions), WIN, jobs, alcohol fuel, research, ESOP, or low-income housing credits)	7
8	Carryback of general business credit to 1988	8
9	Tentative general business credit—Add lines 6, 7, and 8	9

Part II **Tax Liability Limitations**

10a	Individuals—From Form 1040, enter amount from line 40	
b	Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1)	
c	Other filers—Enter income tax before credits from return	10
11a	Individuals—From Form 1040, enter credits from lines 41, 42, and 43, plus any orphan drug credit, mortgage interest credit, and nonconventional source fuel credit included on line 46	
b	Corporations—From Form 1120, Schedule J, enter credits from lines 4a through 4d (Form 1120-A filers, enter zero)	
c	Other filers—See instructions for line 11c	11
12	Income tax liability as adjusted—Subtract line 11 from line 10	12
13	Tentative minimum tax—	
a	Individuals—From Form 6251, enter amount from line 17	
b	Corporations—From Form 4626, enter amount from line 13	
c	Estates and Trusts—From Form 8656, enter amount from Part III, line 10	13
14	Net income tax—	
a	Individuals—Enter the sum of line 12, above, and line 19 of Form 6251	
b	Corporations—Enter the sum of line 12, above, and line 16 of Form 4626	
c	Other filers—See instructions for line 14c	14
15	If line 12 is more than $25,000—Enter 25% of the excess	15
16	Enter—Line 14 less whichever is greater, line 13 or line 15 (if less than zero, enter zero)	16
17	General business credit—Enter the smaller of line 9, or line 16 (corporations, see instructions) here and on Form 1040, line 44, Form 1120, Schedule J, line 4e, Form 1120-A, Part I, line 2a, or the proper line on other returns	17

For Paperwork Reduction Act Notice, see page 1 of the separate instructions to this form.

U.S. Government Printing Office : 1988 ...

Form **6251**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax—Individuals

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1040NR. Estates and trusts, use Form 8656.

OMB No. 1545-0227
1988
Attachment Sequence No. 32

Name(s) as shown on Form 1040 | Your social security number

1	Taxable income from Form 1040, line 37 (can be less than zero)		1
2	Net operating loss deduction. (Do not enter as a negative amount.)		2
3	Add lines 1 and 2		3
4	**Adjustments.** (See line by line instructions before completing.)		
a	Standard deduction from Form 1040, line 34	4a	
b	Personal exemption amount from Form 1040, line 36	4b	
c	Medical and dental expense	4c	
d	Miscellaneous itemized deductions from Schedule A, line 24	4d	
e	Taxes from Schedule A, line 8	4e	
f	Refund of taxes	4f ( )	
g	Interest from Schedule A, line 12b	4g	
h	Other interest adjustments	4h	
i	Combine lines 4a through 4h		4i
j	Depreciation of property placed in service after 1986	4j	
k	Circulation and research and experimental expenditures paid or incurred after 1986	4k	
l	Mining exploration and development costs paid or incurred after 1986	4l	
m	Long term contracts entered into after 2/28/86	4m	
n	Pollution control facilities placed in service after 1986	4n	
o	Installment sales of certain property	4o	
p	Adjusted gain or loss	4p	
q	Certain loss limitations	4q	
r	Tax shelter farm loss	4r	
s	Passive activity loss	4s	
t	Beneficiaries of estates and trusts	4t	
u	Combine lines 4j through 4t		4u
5	**Tax preference items:** (See line by line instructions before completing.)		
a	Appreciated property charitable deduction	5a	
b	Tax exempt interest from private activity bonds issued after August 7, 1986	5b	
c	Depletion	5c	
d	Add lines 5a through 5c		5d
e	Accelerated depreciation of real property placed in service before 1987	5e	
f	Accelerated depreciation of leased personal property placed in service before 1987	5f	
g	Amortization of certified pollution control facilities placed in service before 1987	5g	
h	Incentive stock options. See instructions	5h	
i	Intangible drilling costs	5i	
j	Reserves for losses on bad debts of financial institutions	5j	
k	Add lines 5e through 5j		5k
6	Combine lines 3, 4i, 4u, 5d, and 5k		6
7	Alternative tax net operating loss deduction. (Do not enter more than 90% of line 6.) See instructions		7
8	Alternative minimum taxable income (subtract line 7 from line 6). If married filing separate returns, see instructions		8
9	Enter $40,000 ($20,000 if married filing separately, $30,000 if single or head of household)		9
10	Enter $150,000 ($75,000 if married filing separately, $112,500 if single or head of household)		10
11	Subtract line 10 from line 8. If 0 or less, enter 0 here and on line 12 and go to line 13. If this line is more than 0, go to line 12.		11
12	Multiply line 11 by 25% (.25)		12
13	Subtract line 12 from line 9. If 0 or less, enter 0.		13
14	Subtract line 13 from line 8. If 0 or less, enter 0 here and on line 19. If this line is more than 0, go to line 15.		14
15	Multiply line 14 by 21% (.21)		15
16	Alternative minimum tax foreign tax credit. See instructions		16
17	Tentative minimum tax (subtract line 16 from line 15)		17
18	Regular tax before credits (Form 1040, line 38) minus foreign tax credit (Form 1040, line 43). See instructions.		18
19	Alternative minimum tax (subtract line 18 from line 17). Enter on Form 1040, line 49. If 0 or less, enter 0.		19

For Paperwork Reduction Act Notice, see separate instructions.

U.S. GPO: 1988-0-205-114

Form **6251S1** (1988)

Form **8582**

Department of the Treasury
Internal Revenue Service

Passive Activity Loss Limitations

▶ See separate instructions.
▶ Attach to Form 1040 or 1041.

OMB No. 1545-1008
1988
Attachment Sequence No. 88

Name(s) as shown on return | Social security or employer identification number

Part I **Computation of 1988 Passive Activity Loss**
Caution. *See the instructions for Worksheet I before completing Part I.*

Rental Real Estate Activities With Active Participation (See the definition of active participation under **Rental Activities** in the instructions.)

	Activities acquired before 10-23-86 (Pre-enactment):		
1a	Activities with net income, Worksheet 1, Part 1, column (a)	1a	
1b	Activities with net loss, Worksheet 1, Part 1, column (b)	1b	
1c	Combine lines 1a and 1b	1c	
	Activities acquired after 10-22-86 (Post-enactment)		
1d	Activities with net income, Worksheet 1, Part 2, column (a)	1d	
1e	Activities with net loss, Worksheet 1, Part 2, column (b)	1e	
1f	Combine lines 1d and 1e	1f	
1g	Net income or (loss). Combine lines 1c and 1f		1g
1h	Prior year unallowed losses from 1987, Worksheet 1, Parts 1 and 2, column (c)		1h
1i	Combine lines 1g and 1h		1i

All Other Passive Activities (See the instructions for lines 2a through 2h.)

	Activities acquired before 10-23-86 (Pre-enactment)		
2a	Activities with net income, Worksheet 2, Part 1, column (a)	2a	
2b	Activities with net loss, Worksheet 2, Part 1, column (b)	2b	
2c	Combine lines 2a and 2b	2c	
	Activities acquired after 10-22-86 (Post-enactment):		
2d	Activities with net income, Worksheet 2, Part 2, column (a)	2d	
2e	Activities with net loss, Worksheet 2, Part 2, column (b)	2e	
2f	Combine lines 2d and 2e	2f	
2g	Net income or (loss). Combine lines 2c and 2f		2g
2h	Prior year unallowed losses from 1987, Worksheet 2, Parts 1 and 2, column (c)		2h
2i	Combine lines 2g and 2h		2i
3	Combine lines 1i and 2i. If the result is net income or -0-, see the instructions for line 3. If this line and line 1c or line 1i are losses, go to line 4. Otherwise, enter -0- on lines 8 and 9 and go to line 10.		3

Part II **Computation of the Special Allowance for Rental Real Estate With Active Participation**
Note: *Before completing Parts II and III, see the instructions for how to treat numbers as if they were all positive.*

4	Enter the smaller of the loss on line 1i or the loss on line 3. If line 1i is -0- or net income, enter -0- and complete lines 5 through 9.		4
5	Enter $150,000. If married filing separately, see instructions	5	
6	Enter modified adjusted gross income, but not less than -0- (see instructions). If line 6 is equal to or greater than line 5, skip line 7, enter -0- on lines 8 and 9, and then go to line 10. Otherwise, go to line 7.	6	
7	Subtract line 6 from line 5	7	
8	Multiply line 7 by 50% (.5). **Do not** enter more than $25,000. If married filing separately, see instructions		8
9	Enter the smaller of line 4 or line 8		9

Part III **Computation of Passive Activity Loss Allowed**

10	Combine lines 1c and 2c and enter the result. If the result is -0- or net income, skip to line 16. (See instructions.)	10
11	If line 1c shows income, has no entry, or shows -0-, enter -0- on line 11. Otherwise, enter the smaller of line 1c or line 8.	11
12	Subtract line 11 from line 10. If line 11 is equal to or greater than line 10, enter -0-.	12
13	Subtract line 9 from line 3	13
14	Enter the smaller of line 12 or line 13	14
15	Multiply line 14 by 40% (.4) and enter the result	15
16	Enter the amount from line 9	16
17	**Passive Activity Loss Allowed for 1988.** Add lines 15 and 16	17
18	Add the income, if any, on lines 1a, 1d, 2a, and 2d and enter the result	18
19	**Total losses allowed from all passive activities for 1988.** Add lines 17 and 18. See the instructions to see how to report the losses on your tax return.	19

For Paperwork Reduction Act Notice, see separate instructions.

Form **8582** (1988)

U.S. GOVERNMENT PRINTING OFFICE: 1988—205-337

Form **8615** Department of the Treasury Internal Revenue Service

Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000

▶ See instructions below and on back.
▶ Attach ONLY to the Child's Form 1040, Form 1040A, or Form 1040NR

OMB No 1545-0998
1988
Attachment Sequence No **33**

General Instructions

Purpose of Form. For children under age 14, investment income (such as taxable interest and dividends) over $1,000 is taxed at the parent's rate if the parent's rate is higher than the child's rate.

Do not use this form if the child's investment income is $1,000 or less. Instead, figure the tax in the normal manner on the child's income tax return. For example, if the child had $900 of taxable interest income and $200 of income from wages, Form 8615 is not required to be completed and the child's tax should be figured on Form 1040A using the Tax Table.

If the child's investment income is more than $1,000, use this form to see if any of the child's investment income is taxed at the parent's rate and, if so, to figure the child's tax. For example, if the child had $1,100 of taxable interest income and $200 of income from wages, Form 8615 should be completed and attached to the child's Form 1040A.

Investment Income. As used on this form, "investment income" includes all taxable income other than earned income as defined on page 2. It includes income such as taxable interest, dividends, capital gains, rents, royalties, etc. It also includes pension and annuity income and income (other than earned income) received as the beneficiary of a trust.

Who Must File. Generally, Form 8615 must be filed for any child who was under age 14 on January 1, 1989, and who had more than $1,000 of investment income. If neither parent was alive on December 31, 1988 do not use Form 8615. Instead, figure the child's tax based on his or her own rate.

Additional Information. For more information about the tax on investment income of children, please get **Pub. 929**, Tax Rules for Children and Dependents.

(Instructions continue on back.)

Child's name as shown on return | Child's social security number

Parent's name (first, initial, and last) (**Caution** See instructions on back before completing.) | Parent's social security number

Parent's filing status (check one) ☐ Single ☐ Married filing jointly, ☐ Married filing separately, ☐ Head of household, or ☐ Qualifying widow(er)

Enter number of exemptions claimed on parent's return ▶ ☐

Step 1 Figure child's net investment income

1	Enter the child's investment income, such as taxable interest and dividend income (see Instructions). (If this amount is $1,000 or less, stop here, do not file this form.)	1	
2	If the child DID NOT itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter $1,000. If the child ITEMIZED deductions, see the Instructions	2	
3	Subtract the amount on line 2 from the amount on line 1. Enter the result. (If zero or less, stop here, do not complete the rest of this form but ATTACH it to the child's return.)	3	
4	Enter the child's **taxable** income (from Form 1040, line 37, Form 1040A, line 19, or Form 1040NR, line 36)	4	
5	Compare the amounts on lines 3 and 4. Enter the **smaller** of the two amounts ▶	5	

Step 2 Figure tentative tax based on the tax rate of the parent listed above

6	Enter the parent's **taxable** income (from Form 1040, line 37, Form 1040A, line 19, Form 1040EZ, line 7, or Form 1040NR, line 36)	6	
7	Enter the total, if any, of the net investment income from Forms 8615, line 5, of ALL OTHER children of the parent. (Do not include the amount on line 5 above.)	7	
8	Add the amounts on lines 5, 6, and 7. Enter the total	8	
9	Tax on the amount on line 8 based on the **parent's** filing status (see Instructions). Check if from ☐ Tax Table or ☐ Tax Rate Schedules	9	
10	Enter the parent's tax (from Form 1040, line 38, Form 1040A, line 20, Form 1040EZ, line 9, or Form 1040NR, line 37). Check if from ☐ Tax Table or ☐ Tax Rate Schedules	10	
11	Subtract the amount on line 10 from the amount on line 9. Enter the result. (If no amount is entered on line 7, enter the amount from line 11 on line 13, skip lines 12a and 12b.)	11	
12a	Add the amounts on lines 5 and 7. Enter the total 12a		
b	Divide the amount on line 5 by the amount on line 12a. Enter the result as a decimal (rounded to two places)	12b	x
13	Multiply the amount on line 11 by the decimal amount on line 12b. Enter the result ▶	13	

Step 3 Figure child's tax

Note: *If the amounts on lines 4 and 5 are the same, skip to line 16.*

14	Subtract the amount on line 5 from the amount on line 4. Enter the result 14		
15	Tax on the amount on line 14 based on the **child's** filing status (see Instructions). Check if from ☐ Tax Table or ☐ Tax Rate Schedule X	15	
16	Add the amounts on lines 13 and 15. Enter the total	16	
17	Tax on the amount on line 4 based on the **child's** filing status. Check if from ☐ Tax Table or ☐ Tax Rate Schedule X	17	
18	Compare the amounts on lines 16 and 17. Enter the **larger** of the two amounts here and on Form 1040, line 38, Form 1040A, line 20, or Form 1040NR, line 37. Be sure to check the box for "Form 8615" ▶	18	

For Paperwork Reduction Act Notice, see back of form.

Form **8615** (1988)

Form **8801** Department of the Treasury Internal Revenue Service

Credit for Prior Year Minimum Tax

▶ Attach to your tax return

OMB No 1545-1073
1988
Sequence No 74

Name(s) as shown on return | Social security number or identifying number

Part I Computation of Net Minimum Tax on Exclusion Items

1	Enter taxable income (loss) from line 1 of your 1987 Form 6251, line 30 of your 1987 Form 1120, line 26 of your 1987 Form 1120-A, or line 3 of your 1987 Form 8656	1	
2	Enter adjustments and preferences treated as exclusion items. See instructions	2	
3	Combine lines 1 and 2. If -0- or less, enter -0- here and on line 14 and see the instructions for line 3. Otherwise, go to line 4	3	
4	Exemption amount. Enter amount from line 9 of your 1987 Form 6251, line 11 of your 1987 Form 4626, Form 8656 filers, enter $20,000	4	
5	Phase-out of exemption. Enter amount from line 10 of your 1987 Form 6251 or line 12 of your 1987 Form 4626, Form 8656 filers, enter $75,000	5	
6	Subtract line 5 from line 3. If -0- or less, enter -0- here and on line 7 and go to line 8. Otherwise, go to line 7	6	
7	Multiply line 6 by 25% (.25) and enter the result	7	
8	Subtract line 7 from line 4. If -0- or less, enter -0-	8	
9	Subtract line 8 from line 3. If -0- or less, enter -0- here and on line 14 and see the instructions for line 9	9	
10	Form 6251 and Form 8656 filers, multiply line 9 by 21% (.21). Form 4626 filers multiply line 9 by 20% (.20)	10	
11	**Minimum tax foreign tax credit on exclusion items.** See instructions	11	
12	**Tentative minimum tax on exclusion items.** Subtract line 11 from line 10	12	
13	**Regular tax before credits minus foreign tax credit.** Enter line 18 of your 1987 Form 6251, line 20 of your 1987 Form 4626, or line 21c of your 1987 Form 8656	13	
14	**Net minimum tax on exclusion items.** Subtract line 13 from line 12. Enter here and on line 16 and complete Part II	14	

Part II Computation of Allowable Credit

15	Enter amount from line 19 of your 1987 Form 6251, line 21 of your 1987 Form 4626, or line 22 of your 1987 Form 8656	15	
16	Enter amount from line 14 in Part I	16	
17	**Adjusted net minimum tax.** Subtract line 16 from line 15. If line 16 is greater than line 15, enter -0- and do not complete the rest of the form. Otherwise, go to line 18	17	
18	1987 unallowed credit for producing fuel from a nonconventional source. See instructions	18	
19	Add lines 17 and 18	19	
20	Enter your 1988 regular tax liability minus allowable tax credits. See instructions	20	
21	Enter your 1988 tentative minimum tax: line 17 of your 1988 Form 6251, line 13 of Form 4626, or line 10, Part III of your 1988 Form 8656	21	
22	Subtract line 21 from line 20. If -0- or less, enter -0-	22	
23	**Allowable minimum tax credit.** Enter the smaller of line 19 or line 22. See instructions on where to enter the credit on your 1988 tax return	23	

Part III Computation of Minimum Tax Credit Carryforward to 1989

24	Enter amount from line 19 in Part II	24	
25	Enter amount from line 23 in Part II	25	
26	**Carryforward of minimum tax credit to 1989.** Subtract line 25 from line 24. See instructions	26	

Form **8801** (1988)

Section 7 Index

References in the index are either to Table numbers or page numbers. Table numbers are in the format x.x (Table 1.1 would be "1.1") or letters (Table A would be "A"). Remaining references are to page numbers.

A

Additional Standard Deduction
(See also basic and standard deductions)
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Classified by:
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Size of adjusted gross income 1.4
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Alimony Received
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